EU ENLARGEMENT ANNO 2012.

A PROGRESSIVE ENGAGEMENT

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FOREWORD

Lena Hjelm-Wallén,
President, European Forum for Democracy and Solidarity (EFDS)

Next year, in 2013, the European Forum for Democracy and Solidarity will celebrate its twentieth anniversary. The motive for its founding by the Socialist International and the Party of European Socialists were the democratic revolutions in Central, Eastern and South Eastern Europe. The original task of the Forum was to identify and then support new partners for the social democratic family and to work together with the PES, the EU sister parties, their political foundations and the – then – Socialist Group in the European Parliament.

The historic decision of the EU, during the same years, to open its borders to new entrants from the former communist bloc, added a special dimension to the work of the Forum. In an enlarged Union we would need strong friends in the new member states. We wanted vibrant social democratic parties to help manage the difficult transformation to European standards in a socially responsible way. The Forum (co-)organised and (co-)hosted many fact finding missions and seminars that dealt with important issues related to party-building and the accession process often assisted by teams of experts to provide much needed substance and training. We also coordinated the efforts of EU sister parties, the political foundations, the PES, FEPS and our parliamentary group who all offered their own expertise and special support.

The process of identifying the right partners took time since we were careful not to bet on wrong horses – some parties existed only on paper – and since the vetting sometimes took longer than foreseen. We first had to see the results from working relationships that we had set up. These relationships aimed at building trust and allowed us to monitor the democratic attitudes of potential sister parties. We were often confronted with having to choose between several social democratic options in one country. Since it is the preferred policy of our political family to have only one member in a given state, we, in most cases, succeeded in bringing parties together under the same roof either through mergers or other forms of close cooperation. In some countries we were more

successful than others but the overall picture– including the Western Balkans – is positive.
We were able to establish ourselves as an important political force, either in government or opposition. The integration of our partners from the new members states after 2004 and 2007 went smoothly and their contribution to the work of the Forum is very much valued.

But the story does not end there. The EFDS and its partners remain active in the countries that are (potential) candidates to become members of the EU. We support the European aspirations of our sister parties there, applying the lessons we learned from earlier enlargements. Circumstances have changed and so has the enlargement process. The conditions for accession have been tightened and as a consequence entry into the EU takes much more time. In this publication this situation is explained extensively. Widening the EU is not at the top of the Brussels agenda anymore – other urgent issues are taking precedence. The financial and economic problems of the EU of course also demand our immediate attention, but we should not forget the commitments that were made to the countries of South Eastern Europe and Turkey. The least we can do is to keep the debate alive, make a thorough assessment of the altered circumstances and indicate a positive way forward. That is the aim of this book.





The Copenhagen Revisited Project

Ernst Stetter,
Secretary General, Foundation for European Progressive Studies (FEPS)

The enlargement of the European Union is an exciting and continuous quest for and transformation of identity. The adoption of European Union *acquis* is seen by a lot of actors as a one-sided process. Nevertheless, complex identity questions accompany this process for both sides.

The euphoria of the nineties was a unique moment when there was a consensus on the direction and the content of this identity transformation for all countries, member states and candidate countries alike. The necessity of EU enlargement was not questioned. The main question that dominated this period was: when? The actors asked sometimes with impatience: when will this enlargement take place? On one side, citizens and political representatives of candidate countries wondered: when will we be able to convince the EU that we have done enough for a genuine democratic transformation? From the member states' side, the question was formed in a different manner: when will they do enough so that we can be convinced of the genuine character of their democratic transformation? Unity in diversity – based on the founding values of the EU – was a real experience.
This enthusiasm did not take into account that the enlargements in 2004 and 2007 would induce a new wave of identity questions. After all, the adoption of the *acquis* might be a one-sided technical process, but the inclusion of new member states is not a mere administrative question. Failing to address this challenge has created a hostile environment for enlargement. Some went as far as to ask whether we should continue with enlargement at all. The economic and financial crisis arrived at this crucial point in the process making it the perfect excuse for even more slowing down.

Against this background, it is almost unbelievable that the enlargement continues. Croatia will join the EU on 1 July 2013. Serbia has been granted candidate status. The accession negotiations with Montenegro have started.

Encouragement can definitely be taken from these developments.

The Foundation for European Progressive Studies (FEPS) has become the progressive political foundation at European level leading the debate through the multifaceted challenges towards a progressive European society. The diverse challenges of enlargement policy bring both member states and (potential) candidate countries to the core question: how do we imagine the society in which we would like to live?

Set up jointly with the European Forum for Democracy and Solidarity, the Copenhagen revisited research programme has addressed this complex question through an assessment of the EU enlargement process. Diverse instruments have been used, ranging from research, one-to-one interviews, small fact-finding missions to seminars and regional conferences. The programme was based on three main content elements. Firstly, it seemed necessary to identify and analyse the reasons for the change in attitude towards EU enlargement. This was the objective of the first constituting element, "Lessons learned", where the experiences, consequences and impact of the previous enlargement rounds were discussed. Secondly, the current challenges needed to be faced in a multi-layered context. The part "A never ending hurdle?" examined the different actors' causes for concern. It offered the possibility to study the main issues at European level, including both institutional and political considerations. The regional, bilateral and internal challenges of the (potential) candidate countries received equal attention. Taking into account the specific situation in Kosovo and Turkey from this perspective, fact-finding missions were conducted in these two countries. This research part was set up to be solution oriented. Therefore, it is very much hoped that it will serve as an inspiration to the different stakeholders. Thirdly, the final research element "Beyond promises" aimed at offering a renewed progressive engagement to enlargement policy. The findings of the two previous elements led to seeking to establishment of a vision on enlargement policy based on our progressive values of freedom, solidarity and equality.

In addition to its ambitious content objectives, the research programme is impressive in the number of persons and organisations involved. Altogether around 500 people have attended the events organised in its framework and around 70 organisations were contacted, both from EU member states and the Western Balkans. The latter included political parties, governmental organisations, international organisations, academic institutes, NGOs and media representatives.

This book is the concluding part of the two years of the Copenhagen revisited research programme. Its rich content and broad overview offers food for thought for all actors on the progressive political field who are ready to contribute to the reshaping of the question:

If? Wondering if continuing with enlargement puts at risk the main positive effect of the process, namely stabilisation and democratisation. Therefore, the reader is kindly invited to join this outstanding challenge of converting the focus to the issue:

How? Towards a progressive European society, how can we revisit the Copenhagen criteria?


CITY CRUISES

Enlargement: A Political Commitment

Hannes Swoboda,
MEP and Chair, Progressive Alliance of Socialists and Democrats, S&D Group, European Parliament

After the collapse of communism in Central and Eastern Europe the EU started the ambitious project of enlargement which has not yet reached its goal. At the Copenhagen Summit EU leaders formulated the criteria for membership of those new democracies that had indicated their wish to fully integrate into Europe.

Those were years of optimism. The internal market had been nearly completed and the Maastricht Treaty promised the introduction of a common currency as well as the establishment of the rudiments of political union. The economy was moving upwards. This positive environment formed the background of the historic decision to enlarge the recently founded European Union. The main motives for this were political – to promote democracy and stability – but underneath the existing members felt a moral obligation to support the peoples that were now free of dictatorship. Clearly, also economic considerations played a role: the wish to expand the market.

The talks with the applicant countries took time. They had to go through a complicated and often painful transition process. Our Group did everything possible to support them and welcomed the accessions of 2004 and 2007.

In April 2003, during a Strasbourg plenary session of the European Parliament, I voted for the membership of ten applicant countries. I will never forget that emotional moment and what it meant to the peoples concerned. Some called it a 'Big Bang' and wondered whether all ten states were really well prepared. I had no hesitations. Members of the European Parliament had been able to follow closely and influence the negotiations so we knew what we were doing. Romania and Bulgaria followed later.

In the meantime the political climate changed. Enlargement began to be contested. Experts claimed that the 'No' votes in the referenda on the Constitutional Treaty had partly been due to popular resistance to enlargement. The EU was accused of having acted too hastily. In some countries politicians complained about the negative impact of labour migration from the new member states.

As a consequence of this debate the Madrid European Council decided in 2006 to adjust and sharpen the criteria for membership. As long as this was based on lessons learned, we had and still have no problem with that. As EP draftsman of the report on the accession of Croatia I have been able to witness that the new approach has its advantages. This new member state is very well prepared. What I find difficult to accept is the sometimes xenophobic tone of the debate about enlargement. Furthermore, out of fear for an electoral backlash, many national politicians have stopped defending the political importance of the project and its unique nature. They have created a technocratic shroud around it telling their voters that the entry exam has become much stricter; that the process will proceed very slowly, on a one by one basis while suggesting that Turkey will actually never join the EU.

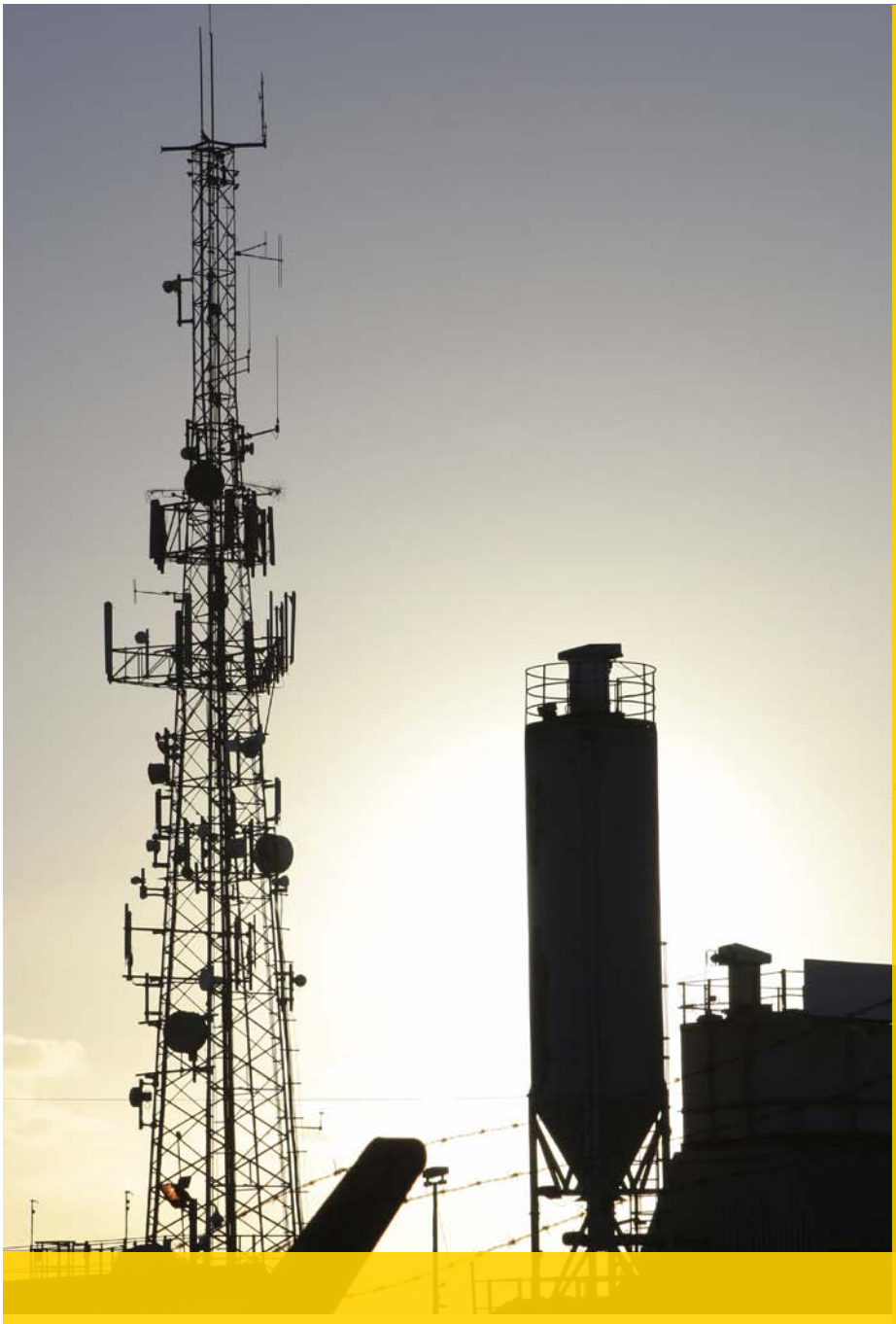
Though this attitude might soften up parts of the electorate in the old member states, it is not well received by the audience in the countries that still find themselves in the waiting room.

The Socialists and Democrats in the European Parliament accept the stricter conditionality, but at the same time we insist that the EU should keep its commitments to the remaining (potential) candidates seriously. We have to continue to show the political will to do what we promised. The candidate countries then will only have themselves to blame if they do not reach the finish line.

There is an important political dimension to the accession of the Western Balkan states. Whilst we were deepening and about to widen the EU in the nineties they were in the process of trying to destroy each other with Europe in the role of bystander. There is peace now but the past still haunts the region with unsolved issues like the status of Kosovo, the name of Macedonia or the fragility of Bosnia and Herzegovina. We cannot walk away from these problems and they can only be solved in the framework of the accession process. It is correct to have strict criteria for membership or to assess the absorption capacity of the EU, but investing in the stability of this region is a political priority as well. However, overall success will also depend upon the responsible politicians in the applicant countries. They will have to undertake the necessary

reforms while adhering to European values. Unfortunately this has not always been the case and some of the governments should heed this warning – which also goes for the new ruling coalition of Serbia.
I mentioned Turkey. Negotiations with this key country have stalled and there is bad feeling on both sides. The EU has therefore decided to circumvent the political deadlock with a positive agenda of common activities outside the scope of these negotiations. The EU's official line remains that Turkey can join the EU when it fulfils all the conditions. I actually agree with both sides but we should also make an attempt to clear up the misunderstandings. Our Turkish friends sometimes give the impression that they do not see their country as an ordinary candidate for membership and that they want to be treated differently from the others, on a more equal footing. The other countries have accepted that what we call negotiations is basically doing what the EU demands. I wonder whether this applies also to Turkey. The only way to find out and to discuss what this means, is to have an open and more honest dialogue.

Many issues that I have touched upon are dealt with in this publication. The Progressive Alliance of Socialists and Democrats in the European Parliament gladly supports the project of the EFDS and FEPS that aims to reassess the enlargement process. The objective is not to put more brakes on, but to find a better way forward to complete the task that we actually took upon ourselves in 1989.



STATE OF PLAY AND LESSONS LEARNED

Enlargement Anno 2012

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INTRODUCTION

Two decades ago, a country located in the heart of Europe began its disintegration process[1]. Yugoslavia's unraveling, that began with Slovenia's and Croatia's bids for independence in 1991 and which effectively ended with Kosovo's proclamation of independence in 2008, was the bloodiest conflict on European soil since World War II. The death of Yugoslavia left millions of people displaced both internally and across Europe (and beyond), over one hundred thousand casualties in Bosnia-Herzegovina alone and a legacy of war crimes and crimes against humanity for which the International Criminal Tribunal for the Former Yugoslavia in The Hague was founded to bring justice. The European Union's role in the early years of the conflict was less than commendable: different countries pursued their own agendas without making an effort to consult the Union (one example being Germany's swift recognition of Slovenia's and Croatia's independence). This only added fuel to the already raging fire in the region and EU's stumbling and indecision ultimately led to US involvement in the conflicts. Eventually coupled with NATO-led military interventions, the US-led interventions in Croatia, Bosnia-Herzegovina, Serbia and Kosovo ended the conflicts. While Slovenia, left largely unscathed after leaving Yugoslavia, was able to successfully transition to democracy and join the European Union in 2004 alongside nine other countries[2], the other former Yugoslav republics were not as lucky. The wars of the 1990s meant that transition processes in Croatia, Bosnia-Herzegovina, Serbia and Kosovo, and to a lesser extent in Macedonia and Montenegro, were far more complex than those of their counterparts in Central and Eastern Europe and constituted several transformations that were expected to take place simultaneously.

The transition from centrally planned to free market economy and the democratisation of the political system in the aftermath of war were difficult enough. However, the transition from war to peace, and finally the transition from temporary peace agreements instituted to end the war[3] to fully sovereign and functional states, proved the most intractable challenges.

A European perspective was offered to the Western Balkans[4] countries as a way of aiding the reform processes and stabilising the region. The Stabilisation and Association Process (SAP) was launched at the EU-Western Balkans summit in Zagreb in 2000, thereby issuing the first instructions on how the countries were expected to reform with EU aid in order to ultimately become eligible for membership. Conditionality, the hallmark of EU's approach to aiding the democratisation process throughout the continent in its aspiring members, was meant to ensure that the Western Balkans' countries adapted to EU legislation by initiating widespread reforms. However, the pace of reform in this part of Europe lagged behind, owing to the legacy of conflicts from the 1990s, which often simply moved from literal battlefields into the political arena, creating a political deadlock and a dangerous pendulum between nationalist political parties and their (mildly) pro-democratic counterparts that took turns in power. The international community active in stabilising this region used the possibility of eventual EU accession throughout this first half of the 2000s as its main carrot. In 2005, however, it became apparent that things were far from perfect in the Union that the Western Balkans countries had aspired to. Negative results in the Dutch and French referendums on the EU Constitution signaled that the current members were unhappy with the way things were run in the EU and that the further EU integration process, such as strengthening of the common security and defense policy, would have to wait. These internal frictions and lack of confidence reflected in the EU's enlargement policy, which from that point onwards, began experiencing shifts, toughening of the criteria and a generally less enthusiastic approach to aspiring members.

The goal of this chapter is to reassess the EU enlargement process in the light of the widespread EU *enlargement fatigue* which is becoming stronger with the current economic crisis. This process needs to undergo a serious evaluation, in order to determine how it can be recalibrated so that the Western Balkans countries are not left on their own, outside of the EU club. The ramifications of EU's ambiguous involvement in the region are already apparent, mostly in Bosnia-Herzegovina and Kosovo which continue to (dys)function as international protectorates. However, Macedonia's and Serbia's political elites are also growing disillusioned with the EU's lack of positive response to the reforms that they initiated at high political cost internally. The effects of the economic crisis are felt throughout the region, and amidst uncertain economic periods, populism is on the rise which, for a region which experienced conflict a mere fifteen years ago, is particularly dangerous.

EU accession has been seen as the end-point in the difficult transition and post-conflict normalisation processes, and it must not be removed from the table altogether because this will destabilise the Western Balkans region internally, and provide a source of continuing problems for the EU itself. Central to this reevaluation of EU enlargement is uncovering the gap in perception which exists between the elites in Brussels, the EU member states (both elites, and the people), and the aspiring members (elites and the people) regarding this process. The issues looming over the debate on EU enlargement also need to be addressed, as the future of the European Union, its ability to handle internal discord and manage the economic policy, the perceived 'death of multiculturalism' and the rise of the right-wing extremism and its effects all play an important role in it.

The next section will provide a literature review of the EU enlargement process, where exploring the lessons from previous enlargements will be of key importance, as they affected the evolution of EU's enlargement policy. The third part of this chapter will focus on the EU enlargement process, describing first the history and most significant milestones of Western Balkans countries' EU accession. The fourth section will focus on explaining the shifts in attitudes towards the enlargement process, both in the European Union itself as well as throughout the Western Balkans, by focusing on the political obstacles which have impeded this process. Finally, the concluding section will offer some recommendations on how to put the largely derailed process of accepting the Western Balkans countries into the European Union back on (the right) track.

WHAT DO WE (THINK WE) KNOW ABOUT EU ENLARGEMENT?

In order to make sense of some of the issues at the heart of the current debates, we need to look back to the past and uncover some of the lessons learned from previous EU enlargements. The dominant themes, their evolution as well as inconsistencies in the enlargement debate, will also be presented in this section. As former EU Commissioner for Enlargement Olli Rehn explained, a growing membership has been part of the development of European integration right from the start. The debate about enlargement is as old as the EU itself. Every time the EU accepts new members, it changes. Thinking about what we might become forces us to think about what we are now, and what we want to be in the future.[5]

This statement illustrates how important a role enlargement plays in the evolution of the EU's identity and helps contextualize some of the main discussions on the subject. After briefly covering the enlargement rationale, as described in official EU policies and documents, this section will provide an overview of what types of effects enlargement is thought to have on the aspiring and new members, and the Union on the whole.

The discourse that has accompanied enlargement has always pointed to "bringing the East and the West together", promoting economic growth and interconnectedness of the region and "strengthening democratic forces".[6] The process of EU accession itself consists of three phases: after a country is offered the prospect of membership, it embarks upon a series of reforms that are meant to lead to it becoming an official candidate for membership. The third phase is the actual formal membership negotiations that involve adaptation of the candidate country's legislation to the EU law, known as the *acquis communitaire*. Once the negotiations and reforms are completed, the country can join the EU – pending approval of all the EU member countries. The general conditions for a country joining the EU, also known as the Copenhagen criteria, stipulate that any acceding country must have stable institutions guaranteeing democracy, rule of law and human rights (political conditions); that it must have a functioning market economy (economic conditions); and that it must accept the established EU law and practices (legal conditions).[7]

One of the key institutions in the enlargement process is the European Parliament, which gives the final assent before any country joins the EU. Several parliamentary committees are involved with working on issues related to enlargement (e.g. Foreign Affairs, Human Rights, Common Security and Defence Policy), and the President of the European Parliament holds annual conferences with the Presidents of the parliaments of the candidate states. The European Commission, on the other hand, carries out the screening of the applicants, conducts negotiations and monitors the progress made by candidate states.[8]

According to Frank Schimmelfenning, "Enlargement is often seen as the most successful foreign policy of the EU".[9] Studies have confirmed that political conditionality, especially in relation to eventual membership, has a positive effect of fostering democratic reforms and that the EU has therefore had a democratising effect on those countries aspiring to join it. Conditionality thus works as a tool of incentivising substantial change, if "political costs of compliance with EU requirements do not exceed the benefits of a – credible – membership perspective".[10] Several studies confirm this perspective.[11] With the enlargement round of 2004, when ten countries from Central and Eastern Europe joined the EU, conditionality was largely a success and had effectively sparked and assisted the democratic and economic reforms in these countries. However, research has also shown that membership perspective strengthens the success of the conditionality policies, while association and partnership conditionality "do not perform consistently better than no or weak conditionality".[12] In other words, the credibility, legitimacy and commitment to enlargement aid the political reform process in aspiring candidate countries,

while uncertainty, postponing or dragging out the accession process destroy the credibility and reduce the effectiveness of the conditionality policy.[13] Considering the length, obstacles and the seeming deadlock of the Western Balkans EU accession process, this finding is of key importance.

What are the lessons learned from the previous enlargement rounds, and in which ways have they affected the process from the perspective of EU management? While the general atmosphere surrounding EU enlargement seemed to be positive in the early 2000s – the 10 new member states were welcomed in 2004 in a series of EU-wide celebrations – the context had already shifted by the time Romania and Bulgaria joined in 2007. Analysts openly warned that the two countries had not reformed at the pace required to fulfill all the conditions, but the EU nevertheless accepted them into the Union. Whether as an act of saving face, or the lack of better alternative, Romania and Bulgaria therefore jointed the EU while many reforms were still ahead of them. The term "*post-accession reform fatigue*" was coined to describe the general slowing down of reform pace and the state of generally lagging behind. The acceptance of Romania and Bulgaria and the subsequent need to continue monitoring their post-accession reform has taught the EU the following lesson: that aspiring new members should only be accepted once they have fully met the criteria for membership. Furthermore, a parallel lesson learnt for future enlargements seems to be that the new members would no longer be accepted in groups. Each new prospective candidate member would negotiate its accession terms individually, and would only be granted membership upon full meeting of the criteria set forth by the EU.[14] How useful has the conditionality approach been for democratization of the Western Balkans countries on their path to EU accession? What are the main milestones in this process, and what have been the main obstacles? The next section is dedicated to these questions.

HISTORY OF THE EU ENLARGEMENT PROCESS IN THE WESTERN BALKANS

The accession of Western Balkans countries to the EU effectively started with the launch of the Stabilisation and the Association Process (SAP). This framework laid the ground for negotiations leading up to the eventual accession of aspiring countries, and was based on three goals: stabilisation of the countries so as to ensure the transition to a market economy, promotion of regional cooperation, and eventual membership of the EU.[15] First initiated in 1999, most of the Western Balkans countries have since signed the SAA agreements[16] and entered the process of pre-accession reforms and partnerships. The general accession process to the EU is marked by the negotiations leading up to the signing of the SAA, which is followed by the agreement's ratification by all the member states

as well as by the European Commission. Once a country has joined this process, there exist a host of pre-accession assistance programs whose funds are at the prospective candidate country's disposal, to assist the reform processes. Through participation in various EU assistance programs, as well through cooperation with EU's various agencies and committees, the aspiring member country is then expected to devise a national program for the adoption of the *acquis*, the common legal framework of the European Union that all the member states adhere to, and to which they align their national legislations. The SAA monitoring is coupled with intensive political dialogue and Progress Reports that track the countries' successes and obstacles in completing the set terms. Once a country receives candidate status, official accession negotiations with the EU begin and determine under which conditions that country will join the European Union. Expected to align their national legislation with the founding EU treaties' content (mainly the treaties of Rome, Maastricht, Amsterdam and Nice), the negotiations process usually lasts several years.

On the following page, the timeline of key milestones in the Western Balkans countries' EU accession demonstrates the lengthiness of this process. It is also important to note that the process has been strained given several obstacles which froze or stalled it for months on end. For example, the accession negotiations with Croatia were suspended due to Slovenia's blockage (owing to maritime border dispute issue with neighboring Croatia); and association negotiations with Serbia were frozen between May 2006 and June 2007 due to lack of compliance with the ICTY, etc. While Croatia is expected to become a member by July 2013, Montenegro will start negotiations this year, Macedonia and Serbia hold candidate status, Albania, Bosnia-Herzegovina and Kosovo have yet to become official candidate members.

The discourse of EU enlargement and the Western Balkans also changed considerably in the period from 2007-2012, with less optimism and more focus on compliance with required reforms. Following the previously explored experiences faced by earlier enlargements, the EU faced two problematic factors that dented the optimism expressed in the early 2000s. The economic crisis that began affecting EU countries as early as in 2006 (Hungary, for e.g.) was in full swing by 2010-2011, which meant that Europe on the whole was demonstrating worrisome trends of increases in support for (extreme) right wing parties, rise in anti-immigrant sentiments and an introverted EU which struggled to deal with its internal issues. A factor that did little to mitigate this trend of turning inward was the general state of deadlock and lack of positive reforms in most of the Western Balkans countries. Throughout this period, the EU had engaged in a tug-of-war of sorts with the

region, playing hard at the game of awarding carrots (proclaiming a country ready for the next phase of accession, liberalising the visa regime, increasing IPA funds earmarked for that country) and sticks (issuing negative progress reports, withholding or postponing the above noted carrots). The most difficult and yet major condition high on the accession agenda was cooperation with the ICTY, which meant expecting the extradition of war criminal suspects and full compliance with the prosecution's investigation. In post-conflict states such as Croatia, Serbia, Kosovo and Bosnia-Herzegovina, this was a particularly hazardous politically move as it meant aggravating veteran associations, nationalistic electorates and at times, even turning in old (political party) colleagues – all in the name of the vague, uncertain, and ever-moving target of EU membership. Furthermore, the ICTY cooperation condition kept the old wound of recent wars open and festering, as the EU demanded that political elites reject nationalism and condemn the war crime acts committed in its name during the 1990s. In fact, researchers learnt that when dealing with matters of national identity - and especially when clashing with issues of such nature – conditionality may not be able to ensure compliance and reform-willingness on behalf of elites in Western Balkans countries.[17] As the EU requirement of cooperation with the ICTY contradicted Croatian and Serbian self-conceptualisation and understanding of their roles in the 1990s conflicts, this condition proved a highly contentious and difficult EU demand, and it yielded mixed results on the ground. For example, when in 2010 Croatian President Ivo Josipovic made a public apology to the Bosnia-Herzegovina's Parliamentary Assembly for Croatia's participation in warfare policy aimed at partitioning Bosnia-Herzegovina during the 1990s, his statement was condemned by many officials in Croatia as well as by veteran associations. While the European Union officials applauded his move, it earned him the need for increased security detail due to various threats domestically. Finally, analysts have argued that Serbia's cooperation with the ICTY has come more out of desire to proceed with EU accession than out of a genuine moral concern for coming to terms with the war crimes of the past.[18]

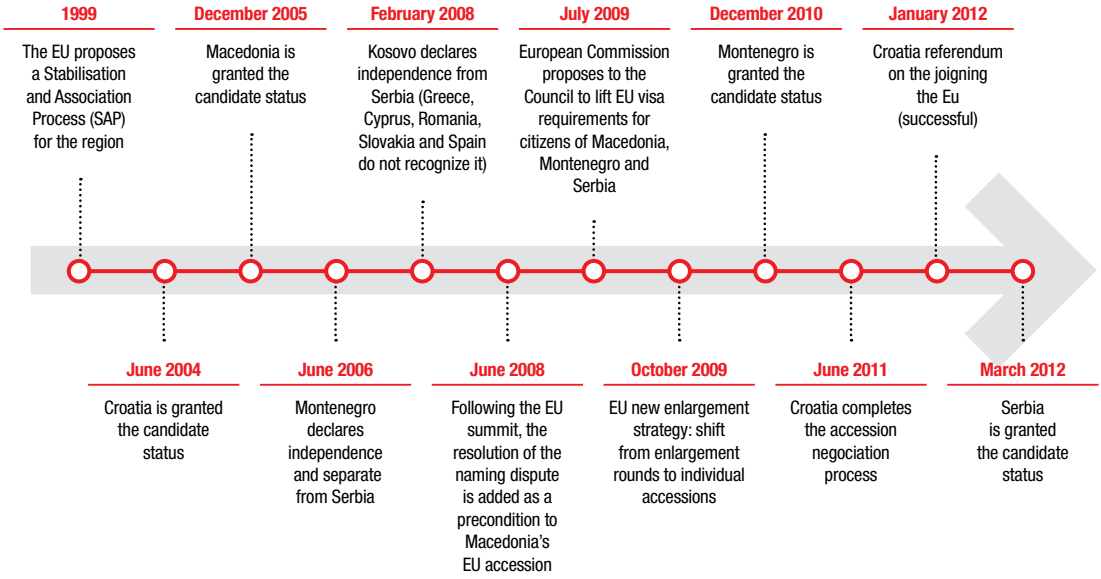
Cooperation with the ICTY is just one of the challenges that faced several Western Balkans countries on their path to EU accession. The next section will consider further challenges and dilemmas that have posed as obstacles to the process of reforms in the region, and to the EU enlargement project more generally.

CHALLENGES & DILEMMAS OF THE EU ENLARGEMENT PROCESS

The European enlargement process has, at times, been presented as standing at odds with the process of furthering integration of the current Union. In fact, most sceptics and pessimists of further enlargement have advocated first paying

attention to EU integration and to strengthening the ties and effectiveness of the existing members, before rushing in to welcome any new ones.[19] However, this discourse runs the risk of falling prey to a false dichotomy: EU enlargement and EU integration have in fact been parallel, interconnected processes, rather than two separate phenomena that ran in opposition to one another. If anything, previous enlargement rounds have strengthened EU's raison d'être and further boosted the integration process of not only welcoming the new members into the common market, but also through furthering the political cooperation and alliances through ideologically-related European party networks. The increasingly pessimistic and negative discourse on EU enlargement during the last few years only mirrors the growing doubt regarding EU integration in general.

As explained earlier, the 'traditional' political conditionality used as a means of facilitating pre-accession reforms has not been a sufficient mode of incentivising the elites of Western Balkans countries to commit to the reforms expected of them, or at least have not proved sufficient for inspiring the desired pace of reform. It is clear that, as Pridham put it, "the Western Balkans represent the most difficult set of prospective accession countries so far encountered by the EU".[20] Their combined post-communist and post-conflict legacies pose a set of challenges yet to be adequately responded to by the European Union . The general EU attitude or policy towards the most difficult issues is best described as postponing or delaying their resolution. During the conflicts and immediately after, this was the case: the Macedonian name dispute was settled by instituting a temporary solution of calling the country 'Former Yugoslav Republic of Macedonia'. Moreover, Kosovo's status issue was kept unresolved under the United Nations Security Council Resolution 1244 until Kosovo unilaterally proclaimed independence in February of 2008. Finally, the Dayton Peace Agreement that stopped the war in Bosnia-Herzegovina was always meant to be renegotiated and replaced with a more effective and sustainable constitutional agreement, but in 16 years following its signing, such a solution has not been put forward. Even today, Macedonia's transatlantic integration has been blocked by Greece due to the name dispute, without satisfactory mediation on the side of the EU. Moreover, Kosovo's declaration of independence continues to be a dividing matter within the EU – with 22 member states recognizing the new state in Europe, and 5 members refusing to follow suit. These deadlocks in Macedonia, Bosnia-Herzegovina, Serbia and Kosovo continue to hamper not only relations in the region, but also dampen the hope in the region as regards the EU's competence, resolve and ability to mediate these conflicts and take leadership in arriving at a solution. This state of affairs further frustrates the elites and the population of the Western Balkans countries because the main issues such as constitutional questions that pertain to actual statehood and nationhood continue to loom large. In an atmosphere in which many people still suffer from post-conflict psychosocial issues and where nationalism is still the cheapest and most effective tool of political



mobilization, it is no surprise that in the majority of Western Balkans countries' political elites are often accused of window-dressing or of only faking compliance with reforms, rather than instituting genuine, democratic and substantive change.[21]

At the same time, regardless of the stalemate in some of the Western Balkans countries, the general context of EU integration has also grown more complex and less favorably disposed towards further enlargement in the past few years. From Angela Merkel's widely discussed claim that multiculturalism in Europe has utterly failed,[22] to Dutch right-wing party's (PVV) website for reporting complaints against people from Central and Eastern Europe,[23] to Hungarian extreme right-wing party Jobbik's open anti-Semitic, homophobic and anti-Roma proclamations[24] – Europe generally seems to be experiencing a shift towards the right. British think thank DEMOS is currently engaged in multiple-countries research on populism, and the preliminary results point to a rise of xenophobia in Europe.[25] It is unsurprising that in this, the Western Balkans countries also seem to follow the Western trend. Recently, a demonstration that was meant to gather nationalist parties from Hungary, Germany, France, Bulgaria, Austria, and Belgium on a "march of solidarity" – was banned in Croatia.[26] These developments, taking place at time of a deep economic crisis that threatens the stability of the eurozone and of the 'European project' in general, are highly worrisome. However, what is even more troubling is lack of a decisive, unified and efficient response from the European Union towards these developments. The dismantling of Hungary's democracy under the FIDESZ government throughout 2011 and over the past few months has elicited a response from the EU that can

be best described as "too little too late." Most of the reforms derailing democratic separation of powers and checks and balances received only rhetorical backlash from a handful of EU officials. What prompted an actual sanctions response, however, was EU concerns regarding the independence of the Hungarian national central bank – but this, in turn, only fuelled the radical right that staged demonstrations, calling for Hungary to exit the EU.[27] The case of Hungary demonstrated the EU's inability to deal with internal discord and discrepancies, and further showcases that EU's enlargement strategy seems stronger than its actual membership strategy. Upon entering the Union, the behavior of member states appears to be far less monitored than that of aspiring accession candidates, and there seems to be no system for keeping all members in adherence and compliance to EU's democratic and human rights norms that are so often stressed in the accession process.

Bearing in mind these challenges and dilemmas within the EU enlargement process, as well as the EU's shrinking absorption capacity for new members at time of economic crisis, remaining questions include: can the EU absorb the Serbia/Kosovo issue, or the dysfunctional Bosnia-Herzegovina in its current state? Is it perhaps time to admit defeat and recalibrate the enlargement process in such a way, as to fully give up on it? What would be necessary, to reframe and invigorate both the enlargement and the EU integration processes? The following section offers some conclusions deduced from the discussion.

CONCLUSION

In their current state, both the European Union and the Western Balkans states suffer from a lack of direction. The story of EU integration is the story of EU enlargement, and this process will remain unfinished so long as the countries of the Western Balkans remain outside of the club. The analysis has thus far demonstrated that there needs to be a change in policy in both Brussels as well as in the capitals of aspiring member states, in order to recalibrate the process that has stalled.

On the side of the EU, there is a need for a more honest, straightforward look in the mirror. By admitting its own shortcomings in the story of Western Balkans' accession and ex-Yugoslavia's post-conflict normalisation, the EU could in fact act as a role model. The only way to change and part ways with the previous mode of thinking and acting is by breaking with it - meaning to renounce it openly. The EU remains the most suitable actor for bringing all the conflicting parties to the table, and to initiate talks on issues that will not be resolved without a credible, determined and persistent mediator. Postponing difficult issues and sweeping them under the carpet has thus far only added to a deterioration of matters, so action in this regard is of key importance – and this action needs to go beyond empty rhetoric.

In the countries of the Western Balkans, what is sorely needed is higher self-reliance. Constant looking to the EU to initiate difficult reforms by making them a condition of the accession process only creates further problems down the line, as they foster resentment on behalf of the populations which are being conditioned to dislike the EU in the process. In other words, the political elites of the Western Balkans should fight corruption because it corrodes the very foundations of state, and not because the EU has made it mandatory to fulfill accession criteria. The existence of the EU has provided for a convenient excuse for both inactivity and for lack of ownership of the reform and political agenda – and this holds risks of dependency for political elites in aspiring member countries.

Finally, both the EU and Western Balkans countries' political elites need to get serious about the discourse they are generating via the media and towards the electorate. Using acronyms such as PIGS (denoting Portugal, Ireland, Greece and Spain) when discussing the economic crisis and countries hardest hit and requiring assistance – does not assist the EU. Overall, the continent of Europe seems to forget easily how and why the European Union had come into existence in the first place – and at a time of economic crisis, with xenophobia, anti-immigrant, anti-Semitic sentiments on the rise, perhaps it is time for us to remember its origins. The current radicalisation of Europe and the rise of extremist right wing parties that are entering parliaments throughout Europe makes it imperative to revisit the "never again" lesson, so that we do not all become witnesses to history repeating itself. Finally, if anything, the EU and the Western Balkans' political elites are united in self-absorption, which has had a detrimental impact on their commitment to strengthening the Union and cooperation among all the countries in the European continent as the whole. Assuming a global outlook would make it painfully obvious to all involved that by strengthening the EU, its member states will prosper, and by weakening it, the continent of Europe will fall completely behind the new rising world powers. It is time to come to terms with the growing pains that are a normal aspect of transformation - joining supranational unions and the subsequent diminishment of some national sovereignty occur in the name of evolution.

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Enlargement and Public Opinion

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INTRODUCTION

The 2004 and 2007 enlargements led to a sharpening of the existing membership criteria and the introduction of important new ones. This has affected the pace of the enlargement process. In addition, the financial and economic crisis has put focus on the EU project itself – its challenges and its future – leaving less space for the enlargement agenda. Despite this the EU has shown its commitment to further enlargement with countries that are 'ready to join' by signing the accession treaty with Croatia in December of 2011, which will result in its accession in July of 2013.

In this article it will be argued that there is a gap between the pro-enlargement discourse among the political elites in the EU and South East Europe (SEE), and the public opinion on this matter. Generally speaking the support for EU enlargement in aspirant countries has decreased over the years. Support for enlargement among citizens in SEE countries is strongly influenced by national politics, economic developments and real, and perceived, consequences of the reforms that come along with the EU integration process. It will be questioned to what extent public opinion influences the process itself. Furthermore, it will be analysed how the public opinion in SEE countries has developed. Firstly, however, an overview of the literature that deals with the enlargement process and the decreased support (euroscepticism) for this process will be given.

LITERATURE OVERVIEW

In their comprehensive research Taggart and Szcerbiak argue that the consequences of the increased public opposition towards EU integration and enlargement are twofold: it has an indirect negative impact on the credibility of the EU project (while the opposition increases the EU project goes on) and

a direct effect shown by the referenda on treaties, by the appearance of more eurosceptical members of the European Parliament but also governments in some old member states that take positions which enable them to take a distance from certain aspects of the EU project. According to Taggart and Szcerbiak the academic interest in euroscepticism has increased due to three important factors: the decline of the 'permissive consensus' on EU integration, the growing tendency to resort to referenda (giving an opportunity for the expression of euroscepticism) and the EU enlargement. The new member states sometimes have a different way of acting in politics and in policy development. They note that in the literature generally the distinction is made between hard eurosceptisim (principal opposition against the EU project itself) and soft eurosceptisim (opposition to the EU in specific policy areas, often when national interests are at odds).

A distinction has also been made in the literature between EU support and euroscepticism. Early public opinion studies used the concept of EU support, while in recent years they increasingly refer to eurosceptisism (Boomgaarden, Schuck, Elenbaas & de Vreese, 2011: 242). In their article in the Journal of European Union Politics, they argue that the studies of public opinion on the EU should reflect on the multidimensionality of attitudes towards the EU, meaning different kinds of support in different areas. For example, support for the EU can be based on costs and benefits of EU membership or on emotional support for the ideas and values the EU stands for (Lindberg and Scheingold, 1970:40). As emotions are becoming increasingly important in public opinion research and political communication, it is important to take this multidimensional approach, which consists of five dimensions: feelings of fear and threat with regard to the EU; the sense of European identity; the performance and democratic and financial functioning of the EU; post-materialists utilitarian considerations; further integration and policy transfers (Boomgaarden, Schuck, Elenbaas & de Vreese, 2011: 258).

Rohrschneider and Whitefield argue in their work that literature on integration and enlargement in Eastern Europe usually follows the standard Western model. In this model it is assumed that politicians and citizens in applicant countries share the western liberal market values and look at integration only from the market benefit perspective. As a consequence it is rarely examined how commitments to "market and liberal-democratic ideals affect how citizens perceive integration" (Rohrschneider & Whitefield, 2010: 146). They conclude that in post-communist countries economic and political ideological values have a greater influence on how citizens perceive EU integration than in the democratically more stable West European countries.

McLaren argues in her book that the main fears among citizens in Central and Eastern European countries that aspire to EU membership are related to the economy: worries about price increases, lower living standards and loss of jobs (Mclaren, 2005, p: 157). In particular the reality of neo-liberal economic reforms demanded by the EU has led to diminished support for EU membership.

An interesting research on public opinion and EU enlargement has been conducted by Maier and Rittenberg in their article "Shifting Europe's Boundaries: Mass Media, Public Opinion and the Enlargement of the EU". Firstly, they note that the political relevance of public opinion on EU enlargement and EU integration in general has grown and is likely to further increase in the future. Because of the increased importance of the public opinion it should be carefully researched how mass media influence public opinion as "ordinary citizens usually do not have 'first-hand' experience of the EU, but depend on mass media coverage of information". Secondly, they assume – in line with existing literature – that enlargement attitudes of citizens are determined by socioeconomic and identity-related issues. The latter can be examined from an essentialist perspective (strong emphasis on cultural background and nation state) or from a constructivist perspective (politics and not culture is the engine behind identity formation). Finally, their findings show that newspaper articles changed the level of support for EU's accession of Macedonia and this country's image in general. They conclude that media coverage "has a strong impact on citizens' attitudes towards EU enlargement". (Maier & Rittenberg 2008, p: 261). Earlier research has shown that this media coverage of the European Union has an increasingly negative tone (Brettschneider & Rettich, 2005).

Taggart concludes in his article "A touchstone of dissent: Euroscepticism in contemporary Western European party systems" that euroscepticism is mainly seen in parties on the periphery of the political landscape. These parties use it to compete with mainstream parties that express euroscepticism only through factions (Taggart, 1998, p: 363).

Maier argues that the further European integration progresses, the more ordinary citizens experience a lack of democratic accountability. He adds that the fact that Europe belongs to the elites rather than to ordinary citizens is not due to a 'permissive consensus'. It is a "simply because voters are denied a voice" (Maier, 2003, p: 62).

ENLARGEMENT: A CRUCIAL PART OF EUROPEAN INTEGRATION

Further European integration (deepening and widening) is often considered as the self-evident dominant mode, inextricably connected to the EU project

itself. As the status quo is considered to be an undesirable form of European integration, those against this integrationist and pro-enlargement attitude are often considered eurosceptical (Taggart & Szcerbiak 2008, volume 1, p.8). For many years the political elites in the EU and Brussels have been largely supportive of further integration and enlargement and they succeeded in gaining public support for this process (Ibid, volume 1, p:1). However, in recent years a gap can be observed between the ongoing pro-integrationist Brussels agenda and the agenda of the political elites in the EU member states.

The "Enlargement Strategy and Main Challenges 2010-2011" of the European Commission states that the "EU's commitment to the enlargement process reflects the member states' conviction that it is in the mutual interest of the Union and the aspirant countries." In addition, it is argued in the document that the Lisbon Treaty ensures that the EU can pursue its enlargement agenda and gain a new momentum of European integration. This straightforward message should be "presented and explained clearly to the public in order to strengthen understanding and support for enlargement", according to the document. Official documents of governments in EU member states support EU enlargement as well: as long as membership criteria are fulfilled aspirant countries can join the EU. In some countries emphasis is put on the EU absorption capacity. In their rhetoric, however, leading politicians in 'old' member states are much more critical of further enlargement. It is a well known secret in diplomatic circles that Croatia might be the last country to join the EU in the near future. Main political actors – particularly in the old member states – have become less eager to communicate the enlargement message to their public. After all, the process of deepening and widening of the EU has led to more opposition and scepticism among EU citizens which has proved to be problematic for the political elites. This has also been reflected in increased support for political parties that do not want 'more' Europe and a further widening of the Union. Furthermore, governments in some EU member states have taken positions that enable them to take more distance from certain aspects of the EU project, including enlargement.

As Table 1 shows, since 2005 the support for SEE countries and Turkey becoming part of the EU has decreased in the EU member states. The table is an average of the separate questionnaires used in 27 EU member states. It has to be noted that support in new member states for SEE countries and Turkey to join is higher than in the old member states. For example, in 2008 only 10% of the respondents in Austria were in favour of Albania joining the EU, while 48% of respondents in Poland were in favour. If we look at the average figures of 2010 Croatia has the highest support (47%), followed by Montenegro (35%). Albania and Kosovo have the lowest support, both with 29%.

Table 1: *"For each of the following countries, are you in favour or not of it becoming part of the European Union in the future?" Average percentage of EU 27*

	In favour			
	2005	2006	2008	2010
Albania	33	32	34	29
Bosnia	40	39	40	35
Croatia	51	50	52	47
Kosovo			34	29
Macedonia	41	40	40	35
Montenegro			41	36
Serbia			38	34
Turkey	31	28	31	30

Source: Eurobarometer

THE ROLE OF POLITICAL PARTIES

As they select the most important members of the EU institutions, political parties can be considered as gatekeepers in the political representation process. In addition, political parties strongly determine how the EU plays out as a political issue. They mobilise their constituency in referenda on European issues, set the political agenda and determine how they will compete with other parties on political issues. Therefore, when analysing European integration and enlargement it is important to keep in mind national politics, party competition and public opinion. In the end EU enlargement is to a large extent a political process. The quantity and type of attention political parties devote to EU related issues strongly determine the public opinion. As already noted, the debate on certain issues, which citizens consider to be far away from their everyday life, is mainly determined by the attention political parties devote to it and the way it is covered by the mainstream media.

Therefore it is interesting to shine a light on the theoretical framework developed by Taggart and Szcerbiak which shows three patterns of political party competition over European issues: *limited contestation, open contestation and constrained contestation* (Taggart & Szcerbiak 2008, p:349). In limited contestation major parties in a country – those with experience or prospect of government participation – show commitment to the European project, which is not an issue of party competition. This consensus does not mean that

there is no euroscepticism within these parties. In open contestation one or more parties in government have taken a eurosceptic position and European integration is an important component of party competition. Furthermore, in this case, the European issue has played a role in the government formation or within the leadership of important parties. Finally, in constrained contestation European issues play a role and euroscepticism is present. However, due to specific constraints within this pattern European issues are less likely to affect domestic party competition directly. Most Central, East and Southeast European states fit in this category as the choice about whether to join or not to join the EU is seen as no choice at all (Ibid: p 350). In the old EU member states, the importance of European related issues has increased in the public debate and election campaigns, mainly due to the economic crisis. During the presidential election campaign in France and the beginning of the parliamentary election campaign in the Netherlands it was heavily debated how the EU should further develop. In the Netherlands political parties, also those expected to be in power, increasingly take a eurosceptic position, and base their competition with other parties on their position taken towards the role of the EU.

TRANSNATIONAL PARTY COOPERATION (TPC)

It is worthwhile briefly discussing the role of Transnational Party Cooperation (TPC) as it offers a mechanism for analysing certain dynamics that influence the EU integration and accession process. TPC "provides a special channel for European-level activity by, but also for European pressure on, political parties from accession countries as well as member states" (Pridham in Szczerbiak & Taggart, 2008: p. 77). Due to the enhanced constitutional status of the European Parliament, TPC has acquired more political influence. As TPC is seen as a channel for accession, party elites in aspirant countries tend to give TPC greater importance than party elites from EU member states (Ibid: p. 80). The networking capacity of TPC is especially important for them. Discussions within the TPC networks tend to influence the national political discourse in accession countries. For example, political parties in Central and Eastern European countries critical of EU enlargement often decided to accept the process of integration and accession that had been set in motion. After all, by criticising the EU integration process of their country they were risking being presented in the political debate as a party not striving for a better future for its citizens. Consequently, during the accession process a formal consensus on EU membership is reached by the political parties. However, after entry into the EU these parties are likely to pursue a soft eurosceptical line, learning "the act of hard bargaining and pushing national interests (Ibid: p. 85). An enlarged EU will therefore see a more diverse Transnational Party Cooperation that could put some constraints on party family cohesion. In sum, despite their commitment

to EU integration aspirant countries show a certain level of scepticism among political parties. This has not come to the surface before because of the EU accession paradigm in which these parties had to operate and the strong public opinion support for accession at the beginning of the process.

PUBLIC OPINION ON EU ENLARGEMENT

How did public opinion on EU enlargement and the EU project itself develop in South Eastern European countries? We will compare major public opinion polls that have been conducted in recent years. Some conclusions can be drawn from the table underneath (Table 2) that shows how respondents in the SEE countries replied to the question if their country's membership of the EU would be a good thing, a bad thing, or neither good or bad.

Table 2: *"Generally speaking, do you think that [COUNTRY]'s membeship of the European Union WOULD BE a good thing, a bad thing, or neither good or bad? (in percentages)*

	a good thing			a bad thing			neither good or bad		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
Albania	83,1	88,1	82,1	1,5	2,7	6,5	7,7	4,5	11,7
Bosnia	48,4	66,5	69,6	11,2	6,3	8,7	30,9	22,4	20,7
Croatia	28,5	26,2	24,8	26,3	28,3	31,7	38,0	38,5	37,9
Kosovo	88,8	88,4	88,0	3,6	1,9	6,1	4,4	6,0	4,6
Macedonia	66,1	62,0	60,0	6,5	8,6	8,5	24,3	25,9	28,5
Montenegro	57,1	67,3	73,6	6,7	3,1	4,3	19,8	18,8	18,1
Serbia	57,8	50,3	44,5	9,2	11,9	17,2	26,0	33,5	35,3

Source: Gallup Balkan Monitor

First of all, it shows that in official EU candidate countries (Croatia and Macedonia) the lowest percentage of respondents think that EU membership would be a good thing. In 2010 only 24,8% of Croatian respondents said that EU membership would be a good thing, while 31,7% said it would be a bad thing. A possible explanation could be that EU accession process related reforms result in less optimism about future membership. Serbia is an exception in this, as it was not a candidate country at the time of the research, but still had a relatively low number of respondents that considered EU membership a good thing (44,5 % in 2010). Possible explanations here could be the independence of Kosovo in February of 2008 and the EU pressure on Serbia regarding full cooperation with the International Criminal Tribunal for Former Yugoslavia (ICTY). Secondly, the percentage of correspondents that consider EU membership as a good thing is the highest in Kosovo (88%) and Albania (82,1%). Together with Bosnia and Herzegovina (BiH, 69,6%) these countries are most far away from EU membership. Finally, it should be noted that a relatively high percentage of respondents think that EU membership would be neither good or bad: 11,7% in Albania, 20,7% in BiH, 37,9% in Croatia, 4,6% in Kosovo, 28,5% in Macedonia and 35,3% in Serbia. This could partly be explained by an often heard criticism that the citizens in SEE countries are not well informed about the accession process and the consequences the EU related reforms could have for their everyday life.

Table 3 shows how respondents in the respective countries would vote if a referendum on joining the EU were to be held. Only in Croatia, the country that is about to join the EU in July of 2013, less than 50% of correspondents said they would vote in favour of membership: 38,9% in 2009 and 38,4% in 2010. In January of 2012, however, 66,27% of the Croatians who voted at the referendum were in favour of joining the EU (turnout 43,5%). On the one hand, it could be argued that the public opinion polls did not reflect how Croatians would actually vote in a real referendum. On the other hand, it can be argued that the political situation in Croatia changed in 2011 which resulted in a positive outcome of the referendum on joining the EU. In December 2011 parliamentary elections were held in Croatia and the left-wing coalition around the Social Democratic Party (SDP) won convincingly with 53,3% of the votes. The result of the referendum can be seen as confirmation of the support for the newly elected left-wing government and the end of an era of the HDZ (Croatian Democratic Union) supremacy that had been surrounded by corruption scandals of high party officials. Furthermore, political parties in Croatia reached a consensus in the past to support EU integration of the country and not to compete with each other on that issue. This supports the findings of Taggart and Szcerbiak that the quantity and kind of attention political parties devote to European issues determined public opinion.

Table 3: *If there was a referendum on Sunday on whether [country] should join the European Union, what would you vote? Percentage that would vote in favour*

	2009	2010
Albania	88,6	92,7
Bosnia	81,8	82,9
Croatia	38,9	38,4
Kosovo	87,8	86,8
Macedonia	80,5	81,9
Montenegro	79,0	81,3
Serbia	68,7	62,6

Source: Gallup Balkan Monitor

In Tables 4, 5 and 6 it is set out, again, how respondents in the respective countries would vote if a referendum on joining the EU was to be held. These polls are conducted by other research agencies.

Table 4: *How would you vote in a referendum on Croatia's EU?*

Percentage of respondents that would vote FOR					
2006	2007	2008	2009	2010	2011
54	46	47	47	45	49

Source: Ipsos Plus Public Affairs

In 2006 more than 50% of correspondents in Croatia said they would vote for EU accession in a referendum. Compared to the polls of the Gallup Balkan Monitor (Table 3), these figures show that a higher percentage of correspondents would vote for accession. In 2011, 49%, compared to 38,4% of Gallup.

Table 5: *"If a referendum was organised tomorrow as to "Whether you support our country's (***Serbia***) accession to the European Union", how would you vote?*

Percentage of respondents that would vote FOR accession									
2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
68	72	71	64	70	66	61	59	57	51

Source: European Integration office of the Government of Republic of Serbia

Table 5 shows how correspondents in Serbia would vote at the referendum on EU accession. Although a majority would still vote for accession, the percentage of correspondents that would vote in favour has decreased over the years: from 72% in 2003 to 51% in 2011.

Table 6: *"If a referendum were to be held tomorrow on* **Albania***'s accession to the EU, how would you vote"?*

Percentage of respondents that would vote FOR accession					
2006	2007	2008	2009	2010	2011
92,5	93,8	95	88,7	93,4	80,7

Source: Albanian Institute for International Studies (AIIS)

In absolute terms support among correspondents in Albania for EU accession remains high. However, considering previous studies of the AIIS correspondents who would vote for accession at the referendum has decreased from 92,5 % in 2006, to 80,7% in 2011.

PUBLIC OPINION: TO WHAT EXTENT DOES IT MATTER?

Research on the 2004 enlargement has shown that the enthusiasm for joining the EU declined as more steps were taken in the accession process. The accession countries realised that the price of the political and economic conditions for becoming an EU member is high. After all, a country's economy joining the Union means committing to ideals of the liberal market and, for example, making national industry vulnerable to foreign competition. The required liberal economic reform modelled on democratic capitalism and the lack of an open-armed welcome by the EU and EU citizens have dampened the enthusiasm for the EU project in aspirant countries (McLaren, 2005, p:156). Politically, becoming a member of the EU means transfer or pooling of sovereignty. Looking at the country that is about to join the EU in 2013, Croatia, both the political and economic dimensions are present. Some citizens seem to be afraid of losing the sovereignty they gained when Yugoslavia disintegrated, while others fear price increases and job losses. Workers of the main Croatian companies – that are often subsidised by the government – are afraid of commercialisation and being taken over by foreign capital with the risk of losing their jobs (Biocina, Newsmagiz Nacional – August 2011: 33). This is also reflected in the public opinion research of the Gallup Balkan Monitor 2010 as 65,5% of respondents in Croatia said that EU will bring more competition to national businesses.

As shown in the previous paragraph, public support in Croatia for EU accession declined as more steps were taken in the accession process (Table 2). However, at the decisive moment – at the January 2012 referendum – Croatian citizens showed strong support (66,7%) for EU accession, among others due to changes in the political landscape. It can be argued that despite the fact that support for enlargement decreases as the country gets closer to accession, at the decisive moment of choosing between staying out of the EU or becoming a member of the Union, aspirant countries choose to become a member. Public opinion polls perhaps show that citizens in SEE countries are critical of the accession process, but they do not show how they are really going to vote in a referendum. Public opinion in Croatia, but other SEE countries as well, is strongly influenced by national politics and citizens' attitude towards the government.

To what extent does the public opinion on enlargement in EU member states matter? As we have seen in Table 1, support for enlargement has decreased over the years. In 2010, 29% of EU citizens (EU 27 average) supported accession of Albania and Kosovo, 30% Turkey, 34% Serbia, 35% Macedonia and BiH, 36% Montenegro and 47% supported Croatia's EU membership. Increased public opposition towards enlargement and EU integration in general, can

have a negative effect on the credibility of the EU project itself. Increasingly citizens in ('old') EU member states feel a lack of democratic accountability. The Brussels train, run by the elites, has to move on as the status quo is considered as undesirable, while public opinion polls suggest that EU citizens do not want the train to move on. In order to get the support of the EU citizens, the EU project has to become a project of EU citizens. Increasing the credibility of the EU project requires broad support among EU citizens. After all, there is the danger that more and more passengers would like to leave the EU train if it keeps running on high speed while the passengers have the feeling that it is going towards an undesired destination. Political parties can play an important role in getting the train on the right track.

While public support for the EU project and EU enlargement has decreased, the political relevance of public opinion on EU enlargement and EU integration in general has grown and is likely to further increase in the future (Maier & Rittenberg 2008, p: 261). Furthermore, Maier and Rittenberg argue that careful research should be carried out to determine how mass media influence public opinion as ordinary citizens usually do not have 'first-hand' experience of the EU, but depend on mass media coverage of information. Earlier research has shown that this media coverage of the European Union has an increasingly negative tone (Brettschneider & Rettich, 2005). A big challenge lies ahead for the EU, its citizens and political actors to make the EU more connected to its citizens, developments within the EU more transparent and to jointly strengthen the EU in a globalised world.

CONCLUSIONS

Although the challenges linked to the economic and financial crisis have put more emphasis on the absorption capacity (widening) of the EU (and on deepening as well), the pro-enlargement discourse is still strongly present among the political elites in the EU. The accession of Croatia in July of 2013 shows that the Union is committed to accepting new members as long as they fulfil the required criteria. There is a gap, however, between this discourse and the pubic opinion polls on EU enlargement. Polls conducted in SEE countries suggest that support for EU accession decreases as countries take more steps towards becoming an EU member. This is closely related to the political and economic reforms that go along with future membership. Although the polls that have been analysed show that citizens in SEE countries are critical of the accession process, they do not show how they are really going to vote at a decisive moment. Support for enlargement among citizens in SEE countries is strongly influenced by national politics, the quantity and type of attention political parties devote to EU related issues, economic development and real, and perceived, consequences of the reforms that come along with the EU integration process.

As the political relevance of public opinion polls has increased over the years, low support for the EU project and EU enlargement is a serious threat for the credibility of the EU. Moreover, decreasing support goes along with further enlargement and integration and with new ideas presented on the need of a political Union. Within the EU support for accepting new member states has decreased. Especially correspondents in 'old' EU member states are increasingly against further enlargement. On the one hand there is a feeling of a lack of democratic accountability and control over the decisions made in Brussels. On the other hand, just as in SEE countries, opinion polls on the EU and EU enlargement are often a reflection on citizen's mood towards national politics.

The EU's enlargement process towards SEE countries is vital for security and stability in Europe. It provides opportunities to post-conflict countries and to their citizens to develop economically and establish a strong rule of law. Due to pressure from the EU, war crimes suspects have been arrested and put to trial just as high government officials involved in corruption scandals. In addition, the process has proved (in case of Central and Eastern European countries) to offer opportunities for entrepreneurs and businesses in EU member states. Finally, the enlargement process is important for a strong EU in a globalised world. Only a strong citizen's EU can play a role at the global scene at the moment of a shift of power towards Asia and the increased importance of the BRICS countries (Brazil, Russia, India, China and South Africa). Such an EU requires an open debate on deepening and widening and politicians with a long term vision.





Insight to the Romanian Case

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In the years that followed the last wave of EU enlargements, numerous studies and research papers looked at the effects of the accession of these new members. These studies evaluated the economic perspective at a national level but also considered the impact the process had on national identity and the preservation of national values. The researchers came to the conclusion that – overall and in both old and new member states – the effects were positive and therefore welcomed.

Once Romania had been assured of EU membership, Romanians hoped to see benefits in all socio-economic aspects of daily life. Accession brought many changes that Romanians hoped would allow them to move forward in a positive way: access to European funds, the possibility of travelling and working anywhere in Europe, opportunities to study in other European countries with special programmes for students, and financial agreements to guarantee equal conditions for all Europeans.

ACCESSION NEGOTIATIONS

Accession negotiations with the European Union involve an extraordinarily complex procedural system applied in a heterogeneous and highly political environment. It can be argued that EU membership negotiations follow a clear process, but this is not quite the case – particularly when one looks at the different levels of negotiating processes. The connection between these levels is ambiguous because the links between the different stages of the negotiations are unclear and also because of the role of informal networking when it comes to making technical and political decisions.

In other words, in a horizontal analysis, it is hard to anticipate the results of negotiations because of the relationships between the chapters to be negotiated and the outcomes also depend on the level at which they are discussed. The complexity of the accession process has also increased due to the growing number of players involved: not only state but regional governments as well as non-governmental organisations and public and private parties. Moreover we no longer only discuss needs and interests, but also common and individual values.

Current applicants for EU membership can draw some useful conclusions on negotiating styles and the possible obstacles that can be met during the process.

In general, the EU approach to the negotiations can be summarised as follows: practical problems must be solved through negotiation, using transitional periods and technical arrangements for implementing commitments regarding current EU rules.

It is not advisable for a candidate country to try to review the *acquis communautaire* during the accession negotiations, especially since this would require the revision of compromises between the existing member states on sensitive issues. Special attention must also be given to arrangements that deal with the special interests of an applicant country – for example former candidate country Norway had to consider the sensitivity of its population about the future of its fisheries sector.

The negotiations not only take into account practical aspects (the transitional period or technical arrangements), but also have to adjust to the state of community policy (completed, under construction or reconfiguration). This further complicates things.

When the negotiating chapters addressed are more difficult to deal with and grow in complexity, it may be even more problematic to obtain a positive outcome, because of their significance to the applicant and the resulting difficulty of finding a compromise.

In the final stages of the process, political awareness increases, especially among the electorate concerned.

Bargaining positions correlate to a chapter's importance to national interests. When a chapter touches upon an issue of special concern for a candidate country, it will often opt for an inflexible negotiating position, which may

eventually stall the talks, or it can lead to cross-sectoral agreements. Examples of this can be found in the cases of Romania (agriculture, competition), Poland (agriculture), Norway (fisheries), Great Britain (budget), Spain and Greece (structural funds). Technical issues become highly political.
The completion of negotiations does not mean the end of the process of preparing for accession to the EU: signing and ratifying the accession treaty follow. This is a matter of high internal political interest and there is always a decision to be made on how it will be ratified: by the national parliament or through a referendum. Part of this debate should also focus on the need to maintain the pace of preparations for accession. As the number of member states has increased, their behaviour in the accession negotiations became increasingly inflexible, as each wave of accession has partially reconfigured compromises from previous waves of enlargement. A high degree of inflexibility is also shown by the new member states who are much less open to making concessions to the new candidates given their recent experience of the negotiations and the internal efforts made in preparing for accession.

ROMANIA'S NEGOTIATIONS

In Romania, we searched for innovative sectoral solutions during the negotiations. We obtained 50 transition periods, the highest number among the 12 candidates.[1] We took into account particular national interests of course, determined by our economic, social and political background.

One of the most sensitive sectors for contemporary Romania was steel. We had to fight hard to get more time for restructuring this sector (1993-2008) than the transitional periods obtained by Poland or the Czech Republic (1997-2006). The amount of state aid granted by Romania to the steel sector during 1993-2004 was almost 51,000 billion ROL, more than the amount allowed to Poland and the Czech Republic in the negotiations. State aids for this sector ended at the beginning of 2005. We can draw an important lesson: the way we negotiated the state aid chapter kept this sector alive and helped it to become competitive. The EU monitoring of this sector ended therefore in September 2010, thanks to the joint implementation of a common strategy with the EU in the steel sector.

Another special sector for us was agriculture, where we managed to get the highest number of transition periods of all candidates: 13 (Poland obtained 12). When we negotiated production quotas, we succeeded in changing the reference periods (the reference period used in negotiations with the 10 new member states was 1997-1999 but for Romania this was extended to 2002),

which led to better quotas that were closer to our production capacity. We put an emphasis on rural development in order to deal with issues such as over-population and subsistence farming and gave priority to areas with a high potential: cereals, milk, sugar and wine. In addition, the rural development funds made it possible to augment the direct payments to our farmers by almost 20%.

On the energy chapter, we paid special attention to the issue of building up minimum oil reserves and we negotiated not only the longest transition period (until the end 2011) but also a derogation from the obligatory minimum level of these reserves: instead of 90 days we got 67.5 days because Romania has natural oil resources.

The environment was one of the toughest chapters to negotiate. From our perspective, implementing it involved costs that Romanian companies could not afford. It was imperative for us to obtain as many transition periods as we could, for as long as possible. We were the only candidate country to be granted a transition period for electronic landfill waste (two years), for discharge of dangerous substances (three years for eight substances) and for the shipment of waste (nine years).

The transition periods must also be considered from another point of view. How should new member states make use of these derogations? The main objective is to find ways to comply with the EU requirements before the end of the transition period.

An unpleasant aspect of the process was the involvement of the politicians. When the accession process became more advanced, the political parties in Romania started to use European issues for internal power gains. They considered that accession itself was not in danger as both opinion polls and the political majority in the parliament showed enough support to complete the negotiations. But, in some cases, blocking or delaying accession-related legislation was used to defend vested interests in the power structures.

POST-ACCESSION PERIOD

Both the European Parliament and the European Commission have stressed that lessons can be learned from previous accessions and that they can be used for improving future enlargements. In a recent debate,[2] the European Parliament reiterated that it is 'essential to stick to agreed commitments made in view of further accessions while clear conditionality should apply and a rigorous compliance with all the criteria laid down is imperative'. At the same time, the

EU's integration capacity has to be strengthened so that future internal and external challenges can be successfully met. The European Parliament also stated that 'every enlargement must be followed by adequate 'consolidation', that is to say a reappraisal of the EU's policies and means in order to respond to the citizens' expectations and ensure the viability of the European political project'.

Special attention must be paid to deepening the integration process: enlargement must be followed by further political and economic integration and not only at the level of public speeches but in real life. The European Commission must act as the guardian of the European treaties and not hesitate to use infringement procedures more often. Another important and urgent question is whether we should adapt the Maastricht criteria in order to foster economic growth. Europe must decide how to balance debt reduction and the need for economic stimuli.

The European Union must make sure that it has the capacity to absorb new members without endangering European integration. This means that the EU institutions and their decision-making rules must be effective and they must be accountable for what they do – to all present EU member states and in view of further enlargement.

The principles of the internal market and competition within the internal market must be enforced. Keeping competition at a healthy level in Europe also means that European companies will be able to compete in other markets (US, China, Russia, etc) and the whole of Europe, not only the north or certain regions. At the national level, we have look for measures to improve market mechanisms and to allocate resources to economic sectors and/or European regions where reinforcement is needed. An integrated process to improve competition within the EU will enhance its chances in the international arena.

The EU has developed many common strategies but they need to be implemented if the EU wants to keep its credibility. The logic is simple. After enlargement, we must not only focus on implementing European rules at the national and local level, but also at the European one. Properly executed, European actions contribute to the *credibility* of the EU and consequently to its *predictability*.

Despite the entry into force of the Lisbon Treaty, the decision-making process still has to be simplified. Public opinion, stakeholders, regional, local and national policymakers all need to make progress on this issue.



The democratic deficit and the demand for increased legitimacy in EU decisions are two other issues that need a response.

There is also the matter of the financial crisis. Europe must adapt to the changes that have occurred globally. In certain sensitive areas such as defence, security (especially energy security) and research and development, we might benefit from co-ordination with other member states in order to create a common European approach. In times of crisis it can also be very helpful to have back-up at a European level if needed to support countries that undertake full macroeconomic consolidation.

Once inside the EU, a new member state must not forget about its own internal modernisation. Being an active member of the EU means making the EU more active and stronger in the domestic arena. The European Union is about co-operation and unity. And it should be also about compliance with European rules. Enlargement will only succeed if the commitments made in negotiations are honoured. And to take the place it deserves internationally, the EU needs to take a serious look at the way all members implement European rules after enlargement.

Another point is the equal treatment of all members. As Professor András Inotai noticed, the new member states that joined the EU in 2004 and 2007 had to meet several conditions that were not exactly compatible with the European dream.[3] Direct payments to farmers started at a fraction of the amount provided to EU-15 farmers and this gap was only closed through an annual process lasting until 2013. Full participation in the EU budget became a reality from January 2007; during the first 32 months all new member states had access to the pre-accession funds – a fraction of the money they were entitled to as of 2007. Free circulation of labour – perhaps one of the most important European rights – was only granted at the moment of accession by some old member states and by others during the first years of membership. Romania and Bulgaria have still not achieved complete freedom on this issue.

THE PRESENT ACCESSION NEGOTIATIONS

The last enlargement round was, according to Timo Summa,[4] an enormous political challenge as well as one of the biggest 'hands-on' management processes in modern political history. All in all, a success story. But the present challenge is now not only to fully meet the strict accession criteria before joining the EU, but to avoid backsliding after accession and to guarantee the sustainability of the reforms achieved. Some reforms must never be halted, to guarantee the continuation of positive processes and 'the creation of a reform culture of high-quality policymaking and administration'.

As shown by the European Commission communication of the end of 2011, the present negotiations with the Western Balkan countries and Turkey will focus on strengthening the rule of law, public administration reform and the fight against corruption – one of the key challenges to the rule of law in most enlargement countries.

Rigorous conditionality, alongside the main political and economic criteria, is important for maintaining the EU's credibility. The Copenhagen criteria – the main focus of the negotiating process – provide the framework of the negotiations and must be flexible enough to deal with different candidates. The experience of the previous negotiations shows that numerous tasks were simultaneously considered as important, but without prioritisation. Improving this will make it possible to allocate resources effectively to produce clearer final results, rather than working with numerous strategies and action plans without the means and the will to implement them.

It is very likely that there is not going to be another major enlargement, but only single accessions, preceded by long and difficult negotiations. Negotiating with the remaining candidate countries will be at least as challenging as the last round, but the lessons are now available and many improvements can therefore be made to the enlargement process itself.

Despite the difficulty, or rather the complexity, of the enlargement process – the endless negotiations, compromises, internal bargains and the member states constantly fighting to protect their interests – the enlargement policy of the EU is considered to be a success. It has united the people of Europe in an organisation without precedent. Peace, power and prosperity for all Europeans are the key drivers for this process and it should be enough to keep Europe's doors open for all those sharing European values and principles.

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Lessons Learned: Bulgaria

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Bulgaria was one of the countries where EU accession was accompanied by significant political difficulties of both a domestic and international nature. Political mobilisation and competent governance in the final stage created the conditions for the process to be finalised successfully. However, an additional monitoring scheme on the progress in judicial reform, corruption and organized crime (the so called ´Cooperation and verification mechanism´, CVM) was introduced for Bulgaria and Romania, which is still in place 6 years later. Both countries are still kept waiting at the door of Schengen zone, and some member states intend to keep the restrictions on labour market access for citizens of both countries in place until the latest possible deadline. The absorption rate of EU funds is marked by serious shortcomings and both countries continue to hold the lowest positions in the EU in terms of the ratio of contracts signed and the level of payments. Nevertheless, the approval rate of the EU in Bulgaria remains high in opinion polls.

Since the beginning of its transition from a totalitarian regime and a planned economy to democracy and market economy, Bulgaria has never questioned its European perspective. On its way to EU accession, several events had a special impact and complicated the accession process. The country was dropped from the group of 8 candidates from Central and Eastern Europe, even though Bulgaria was among the first to sign an Association Agreement, which entered into force in February 1995.

Yugoslavia's falling apart in violent conflict and the economic embargo against it in the beginning of the 90s produced considerable collateral damage to the Bulgarian economy, which had already been destabilised by radical market reforms, and gave birth to the organised crime networks which we continue to fight to this day. This, alongside the not-so-smartly-implemented economic and social reforms, contributed to firmly place Bulgaria - which in the beginning of its transition was compatible in terms of economic development with countries

like Hungary and Czechoslovakia – at the bottom of the income-per-capita and GDP ranks in Europe. The consensus among the major political forces in the country allowed Bulgaria to apply for Membership at the end of 1995. However, financial problems which led to interlinked bank failures, a significant decrease of GDP and a political crisis in 1996 – 1997 slowed down the preparations for accession of the country.

There was a period during which it looked as if Bulgaria was irreversibly falling behind the other CEE countries and was on the way to be dropped off this list and attached to the ´grey zone´, which was how the Balkans appeared at the time. The events that took place in Kosovo, the new war west of our border and the NATO operations, actually presented an opportunity for Bulgaria. The EU itself realised that peace and stability in the region could only be accomplished and maintained if countries like Bulgaria and Romania received a credible Membership perspective. Shortly after the Kosovo crisis, the accession negotiations were initiated and both countries also became NATO members.

The process of accession negotiations required significant effort from the Bulgarian public administration – an effort it seemingly was not well prepared for. The negotiations often proceeded in a formalistic way; commitments were made; legislation was adopted, but the implementation of this legislation itself to a large extent remained outside the scope of the negotiations. The parliament was not engaged in the substance of this process – its role was reduced to a body that just ratified the commitments made by the executive power.

The lack of both transparency and an initial assessment of the real reform capabilities of the state led to large distortions in the final stage of the negotiations when the remaining problematic chapters were closed in a rush in order for the Accession Treaty to be signed in April 2005 – just before the general elections in Bulgaria.

The final stage of the accession process proved to be the most complicated. Parallel to the efforts to speed up the ratification process, it also became clear that a number of commitments had not been respected, including regarding certain legislation. For two consecutive years, the Bulgarian parliament went without a summer break in order to catch up. It is remarkable that during the several-weeks efforts to form a coalition government in July 2005, the parliament created two ad-hoc committees – on legal affairs and on European integration - which without delay moved to plenary the draft legislation prepared by the previous government. Inevitably, working under the pressure of time, part of the legislation proved to be of insufficient quality. The actual political situation allowed for lobby texts, which had nothing to do with the preparation for accession, to find their way into laws that were meant to transpose EU legislation.

Other changes, related to the judiciary and internal affairs, proved to be inefficient or insufficient in scope, and even after accession, continue to be improved to this day.

Sometimes I ask myself whether Bulgaria could have coped with this process more quickly and more successfully; whether we could have avoided some of the mistakes we made; whether the Commission underestimated our problems or not and whether it created inaccurate perceptions and expectations in Bulgarian society as a whole and amongst the political elite in particular. Such questions, which may seem unnecessary, are in fact quite relevant, now that the Western Balkan countries are struggling to tackle similar problems on their way to the EU.

Looking back now, 5 years after the accession of Bulgaria to the EU, I would outline some major problems which were either underestimated or whose resolution did not enjoy adequate support from the Commission.

First, the reform of the judiciary and internal affairs. The reforms of the judiciary system and the Ministry of Interior were initiated in the beginning of the 90s in the context of a highly politicised society. Both were seen as major instruments which the totalitarian regime before 1989 used to exert control over the citizens and, accordingly, the desire for large-scale reforms, both institutional and personal, was sky high. The reforms not only made the judicial system independent, but actually put it beyond the reach of any control over its activities and far from any accountability before the other two powers and the citizens, thus destroying the system of "checks and balances". This rapid change led to distortions which, over time, resulted in a justified feeling of total lack of or total unwillingness for justice - such as infinite delays of important court cases; the inability to bring high-profile figures from organised crime to justice; and a feeling of insecurity not only on the part of citizens but also of the business world, who could not rely on quick and effective delivery of justice. The system was flawed by corruption, conflicts of interest, controversial personnel decisions and so on. At the same time, the reform of the Ministry of Interior did not produce the expected results either. Many of the Commission's remarks given in the course of the accession negotiations were not adequately addressed or the response was limited to legislative changes, which did not produce any tangible results.

It should be noted, however, that the signals coming from the Commission were confusing. Given that there are no common EU standards in this area and that the member states have organised their judicial systems in different ways, the European Commission experts provided different advice to the Bulgarian authorities depending on their nationality and therefore on their knowledge of a certain system. I still remember the awkward and frustrating situation for the ruling majority in the parliament in the beginning of 2006 when, recommended by and after consultations

with the Commission, changes to the Bulgarian Constitution were adopted, which were to increase the accountability of the judiciary. The day after, the then Commissioner on Enlargement issued a statement warning that the changes adopted were threatening the independence of the judicial system. New changes to the Constitution had to be introduced.

In the end, the judicial system failed to improve its effectiveness; the lack of tangible results in fighting corruption and organised crime; and the corresponding reservations and fears in some member states led to a compromise solution: Bulgaria and Romania were to accede to the EU on 1 January 2007 as planned, but subject to a cooperation and verification mechanism in the area of judiciary and internal affairs. Though the title of this mechanism sounds rather positive, it was formulated in this way in order to avoid mentioning the word ´monitoring´, which would imply inequality of the two new member states compared to the rest of the EU. This mechanism is still in place to this day, with no real chance of being lifted any time soon. Bulgaria and Romania risk finding themselves in a humiliating situation when the newest member state, Croatia, actually will be one of the 26 countries evaluating them.

Incidentally, the Commission learned its lesson and another approach was applied to Croatia – instead of introducing a monitoring mechanism after the accession, Croatia was required to build a credible track record in this area beforehand. This approach proved to be successful, and for the remaining candidates the talks will even be tougher – the negotiating chapters related to judiciary and fundamental rights and justice, freedom and security (23 & 24) now need to be opened first and closed last in the course of the negotiations. This approach creates an additional pressure to achieve tangible and sustainable results well before the accession date.

This new approach seems more effective, since the verification mechanism did not produce impressive results. On the one hand, the post-accession mechanism preserved the external pressure in support of the reforms, which in this way created the conditions for many problems to be fully addressed. On the other hand, however, it was turned into a political weapon eagerly used both by the ruling majority and the opposition inside the country – the latter emphasising the negative remarks in the monitoring report, and the former, concentrating its political communication on the positive remarks, enjoying tremendous media coverage. Thus, twice a year – in February before the publication of the interim report, and in July before the full report is published - society's whole attention focuses not on the problems and the recommended measures, but on their political interpretations. The present government of Bulgaria has no

clear idea whether it wants this mechanism to be lifted or to remain in place for an indefinite period of time. This is a strange position, given the fact that it is now clear to everybody that this mechanism has already played its role to the fullest, that the speed of the reforms is no longer dependent upon it and that it only provides the grounds for Bulgaria and Romania to ´enjoy´ at least twice a year a highly negative coverage in the European media. Hence, ´organised crime´ and ´corruption´ have now been associated with Bulgaria and Romania for 6 years, and provide a good alibi for other member states to stay out of the spotlight. It is precisely these reports which have provided a justification to the Netherlands to block the accession of Bulgaria and Romania to the Schengen Agreement for years, even though there is a widespread consensus amongst all EU institutions and stakeholders that the two countries have met all the criteria.

LESSON LEARNED: Do your job in time, and accede to the EU fully prepared, with no additional individual monitoring mechanisms

A second problem is related to the willingness of Bulgaria to join the Eurozone quickly. In the context of the economic boom between 2005 and 2008, the country easily complied with the Maastricht criteria with the exception of the inflation rate, which was slightly higher than the reference value. The economic crisis, however, also finally found its way to Bulgaria and after years of huge budget surpluses, the accumulation of deficits started in 2009. The new government and the Minister for Finance were determined to bring the deficit below 3%. Referring to this target and obviously without any knowledge of EU rules, they tried to accomplish this by cutting payments to businesses and slowing down the reimbursement of value added tax. This, along with the reduced credit resources available, the decreased domestic and international demand and the deepening crisis, created a deadly combination for small and medium enterprises. Intercompany indebtedness sharply increased, thousands of small companies went bankrupt, and not only tens of thousands of people lost their jobs, but the companies eradicated their positions due to shrinking business and the fight for survival. The goal was not achieved, Bulgaria did not enter the ERM II, and instead, the economy was suffocated. Now this poses additional difficulties in meeting the Maastricht criteria and if, 3 years later, we are still close to meeting them it is due to a financial, fiscal and budget stability which has been paid by the citizens and small and medium enterprises, resulting in continued misery for a large part of the population.

LESSON LEARNED: Do not rush into the next stages of the integration. Eurozone membership should not be a goal in itself; it should be realised when the country is truly ready for it.

The preparation for membership, as it turned out, not only involves the adoption and implementation of legislation. In addition, a deep transformation of the society is needed and a fine-tuning of the principles and the values on which it is based. This takes time and if it is not supported continuously and vigorously enough, sufficiently well managed, and fully explained by the political elite, it can become mere camouflage, out of which opposite and conflicting trends can emerge. After having accomplished the ultimate goal – EU membership - these trends proved exceptionally strong in certain countries. One of these countries is Bulgaria. Tired of the hyper-mobilisation during the accession process imposed by the major political forces, its citizens decided to give a chance to a new political force, established by a leader with modest education, having controversial past and questionable governance skills. Populism thus prevailed over sound reason, inexperienced members entered the parliament, and the government and public administration were filled with incompetent ministers and staff, who continue to quickly come and go, often without making any difference and becoming subject of popular jokes.

The more serious problem, however, is that this party and its leader questioned some basic issues directly related to the Copenhagen criteria. A number of PM Borisov's statements before the 2009 elections, as well as his actions after the elections, teeter on the edge of the tolerable and acceptable. He dared to speak in favour of world dictators of the past; to insult representatives of ethnic and other minorities in an unprecedented manner; to divide and generate hostility between various professional groups and create generational antipathy. His most terrible sins, however, relate to the full submission of the media: interference with their editorial policies, including at the personal level; the sharp increase in the use of special surveillance devices, some for political purposes; the various cases of excessive use of force and abuse of authority by the police, including towards political figures; mass manipulation, administrative pressure, and buying votes and fraud during the local and presidential elections in 2011. These developments, when set against the background of similar trends in other Central and Eastern European countries, question the sustainability and irreversibility of the process of democratisation, and possibly call for the establishment of more adequate protection mechanisms against such developments in EU member states. Unfortunately, while the rules and controls

in areas such as economy and budgetary policy become increasingly specific, clear and strict, the basic principles and values of the EU remain basically unprotected against violations. While, in many other areas, progress indicators are primarily related to the successful implementation of legislation, adapted to the EU standards, in the area of democracy and fundamental rights, progress is related to a deep transformation of society. It takes a considerable amount of time, has its ups and downs and needs continuous oversight and support.

LESSON LEARNED: This is primarily a challenge for the EU itself: a mechanism should be developed for the monitoring and assessment of the continuous compliance of the member states with the membership criteria. Experience shows that EU accession itself is only an encouragement and not an automatic guarantee of progress in the implementation of these criteria.

Last but not least is another crucial issue which is perhaps the most tangible for the citizens of the new member states – the absorption of EU funds. The EU support for the less developed countries of Central and Eastern Europe was an important tool to stimulate catching-up development. It was also an important argument often used by political forces to justify the need for continuation of the painful reforms in virtually all spheres. The main problem faced by all countries and especially Bulgaria, was that they were unable to build a competent administration which was capable of managing the complicated process of absorption of EU funds in time, while, at the same time, the Commission obviously underestimated the problem. Even though the Commission is highly sensitive to criticism from member states, we cannot turn a blind eye to the fact that it overestimated Bulgaria's administrative capacity. Moreover, the Commission misled the Bulgarian authorities, who took for granted that the country was fully prepared to take on the responsibilities of the membership in this area. The transition from managing pre-accession funds to EU funds turned out to be an uneasy task for Bulgaria and at a crucial moment for the country, funds were blocked. The government which led the country into the EU had to urgently reform the national EU funds management system. Even though these reforms were made while on the move, they produced positive results. However, the next government decided not to continue these efforts but to create a new structure which took an additional 6 months to establish. Even today, Bulgaria ranks lowest with regard to absorption capacity; the

bureaucracy is excessive; businesses and NGOs are discouraged to apply for EU funding due to random financial adjustments which are made years after the completion of the projects, and due to the delays of the initial evaluation of the projects which often makes the implementation of the projects meaningless. For instance, companies prefer to invest their own resources in order to increase their competitiveness, instead of dealing with the slow and complicated procedures of the Operational Programme "Competitiveness". Moreover, it should be noted that this complicated process is not only to be blamed on the requirements of the Commission, but also results from the attitude of the Bulgarian administration after 2008-2009. As a whole, these problems diminished the political effect of the Membership to a significant extent and weakened one of its great advantages, i.e. the opportunity to increase the competitiveness of the economy and the living standards of the population via the support of EU funds. Hence, 6 years after the accession, Bulgarians are much more realistic in terms of their perceptions and expectations and finally understand that Membership provides opportunities. How these opportunities will be utilised entirely depends on the country and its citizens.

LESSON LEARNED: The issue of building adequate administrative capacity for the management of EU funds is crucial for the candidate countries. It should be guaranteed that the Instrument for Pre-accession Assistance will represent a preparatory phase, which will create the conditions for smooth transition to the management and absorption of EU funds. This is a common task and responsibility for the Commission and the respective candidate country.

I would like to sum up by stating that attaining EU membership is only a phase in the process of gradual integration of a country into the European family. Perhaps it remains the most important, but membership is still just a step on the road which continues after the triumphal entrance through the front door. I have not touched above upon other important challenges faced by new member states, but I see them as rather individual and country-specific. To name a few: the struggle for a specific, unique role in the EU institutional set-up; the concrete individual contribution to EU policies; the efficient participation in the policy-making process; the formulation and articulation of the national interest in the decision-making process, and so on and so forth.

What should go without saying is that the EU provided for peace, stability and predictability of the states; for increased security for its citizens; the modernisation of the economy and most importantly, modernisation of the society in each member state. Even though the comprehensive crisis in which the EU finds itself embroiled casts a shadow on some of these accomplishments, membership is still attractive. I believe it will not be long before we see a brighter horizon and many of the problems we face today are solved.



A Hungarian Perspective

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Each enlargement of the European Community and the European Union - starting in 1973, through the eighties and nineties to the 'big bang' of 2004 and 2007 - had partly similar, but to a large extent, different features. The latter can be attributed to the different stages of the integration process as well as to the different levels of development and priorities of the accession countries. Therefore, lessons learned from previous enlargements have only limited importance for future members. Certainly, some key elements can be helpful but no standard pattern can be 'copied' or blindly imitated. Not even the most important standard features can substitute for careful development of the "integration strategy" of the respective country. This chapter tries to formulate, in ten points, some general lessons and experiences with accession/membership based on the enlargement in 2004, in general, and on the Hungarian case in particular. At the moment of applying for membership, the candidate country has to identify the reasons why it wishes to join the European Union. However, this approach remained one-sided in most enlargement processes.

Obviously, the acceding countries defined their basic interests. They included political, economic and institutional criteria. In Central and Eastern European countries, European integration was considered to be an influential political instrument strengthening stability after unprecedented political and socio-economic transformation. In addition, for small(er) countries, the integration framework was expected to secure a balance in coexisting with large (neighbouring) countries. In economic terms, enhanced trade and foreign direct investments (resulting from free trade, customs union and unified internal market), free circulation of labour and financial transfers were repeatedly stressed. Finally, less emphasis was put on the probably most important component of membership, namely full-fledged participation in the decision-making process of the European Union. Free trade or (limited) financial

transfers can be achieved without membership, but co-shaping decisions is only possible from within. Interestingly, the question of what kind of European integration Central and Eastern European countries would like to join remained largely in the background. This was possibly due to the assumption that, evidently, everybody wants to join an influential, competitive, future-oriented EU that, in many aspects, can accomplish the role of a global player and, as a result, increase the room to manoeuvre for member countries. Moreover, the EU was considered to be an open entity, both to the outside world and towards potential further enlargements. Finally, for less developed new members (and all countries that acceded in 2004 and 2007 were in this category), the solidarity shown by the EU was important.

In the overall communication policy of the acceding countries, the balance between expectations and realities, but sometimes also between (unjustified) fears and realities was not easily established. The accession process was in most cases (highly) politicised and used or misused by different domestic political groups/ parties, according to their short-term power related interests. Therefore, it is a basic lesson that a strategic decision such as joining a big and influential club needs not only large-scale political consensus but also balanced and realistic information to be given to the public. The latter should differentiate between short- and longer term impacts. In addition, it has to be made clear that no decision has solely positive or negative consequences. Instead, optimalisation of largest possible gains and smallest possible losses should be the aim. Balanced information can save public opinion from unjustified expectations that, following membership, can easily lead to widespread disappointment or even anti-EU attitudes. In turn, unjustified fears can endanger potential benefits of membership or, worse, create the basis for demagogic and populist political parties with destabilising impacts on the domestic political scene.

A clear integration strategy following accession is a crucial factor of successful adjustment and full-fledged membership. Indeed, all new members developed a more or less transparent strategy for the accession negotiations stage. However, at the point of reaching the goal of accession (about two years before membership became official), the candidate countries considered the tasks accomplished. As a result, no new member has developed a medium term strategy on how to define and protect key strategic interests following membership. Obviously, there were fragmented efforts, as the accession process to the Schengen zone or a several times failed approach to meet the Maastricht criteria and qualify for membership in the Eurozone, demonstrate. However, they did not form part of a comprehensive integration strategy which

could have been instrumental in order to make best use of the changed position of the respective country within the European Union, which is much more than Schengen or Eurozone.

Efficient membership crucially depends on the readiness of the public administration. In this context, fundamental reforms were undertaken during the one decade between application for and the achievement of membership. Adjustments were a basic precondition of starting and successfully concluding accession negotiations. However, improving the output of the public administration does not end with membership. First, the EU is an organisation with a constantly increasing *acquis communautaire*, so that national public administrations have to cope permanently with new adjustment tasks. Second, as stipulated in the accession treaties, part of the adjustment was reserved for the period after membership. Transitional measures (exceptions) had to be implemented – both in the 'old' and the 'new' member states – according to a multi-annual timetable. Third, membership confronted the public administration with new policy challenges (full-fledged participation in the decision-making process) and with the efficient absorption of largely increased EU transfers. Fourth, the 'efficiency balance' between the national, regional and local levels of public administration had to be created. Fifth, large numbers of the EU-experts educated and trained during the decade of the accession process found good jobs in several EU institutions or lobby organisations. As a consequence, some areas of the public administration started to reveal serious personnel shortcomings because no attention had been paid to the education of a 'second-generation' of experts who could have been able to replace the 'first-generation' within a smooth transition process. This fact calls for a more comprehensive and forward looking formation of the public administration on all levels well before accession occurs.

Another important lesson is connected with the timing of indispensable reforms. Of course, many reforms have to be carried out before accession, since they are part of the conditions for membership. However, some of them can be postponed for the period after accession. They include reforms linked to transitional arrangements (e.g. environment, labour market, access of EU citizens to agricultural land) but also to some areas where the government experiences *reform fatigue* due to the EU-related and accelerated reform implementation process. There are at least two reasons why key reforms should be implemented before accession. First, in reformed areas one can expect to make better use of full-fledged membership. Second, as revealed by the example of most new members, actual membership generally slows

down reform dynamism. Thus, reforms may be stopped or interrupted, with negative consequences for continuous adjustment and sustainable growth and competitiveness - a basic factor of successful membership of less developed new member countries.

Membership has affected several economic areas positively, but to different degrees. Trade with the EU was already almost free before accession, with the exception of some agricultural products. Full liberalisation of agricultural trade led to rapidly increasing EU exports to new members whose agricultural sectors could not cope with new competition (Baltics, partly Hungary), but had a very positive impact on agricultural exports of well-prepared countries (see Poland). The really spectacular impact on trade can be identified by looking at the trade between the new member countries. Before membership, they regularly applied restrictive measures that had to disappear at the moment of membership. As a result, trade among the Central European countries, among the Baltic States as well as after 2007 between Bulgaria and Romania revealed an unprecedented dynamism not only clearly surpassing the average growth of intra-EU trade but keeping pace with trade growth of the leading emerging economies as well. Most foreign direct investors anticipated enlargement well before the final political decisions were made. Still, depending on the new member country's general political and economic capacities, the inflow of foreign capital continued and foreign-owned firms were the primary beneficiaries of the regional trade dynamism among the new member countries. Financial transfers from the EU to the less developed new member states increased several times after 2007, when the new financial framework became effective (for the first three years, between 2004 and 2006 such flows were limited by the constraints built into the previous seven-year financial framework ending in 2006). Labour market restrictions of the EU-15 were gradually lifted, but with varying timeframes from country to country. Labour mobility of the new members showed substantial differences as well. While Poland and the Baltics have largely used these new opportunities, Czechs, Slovenes and Hungarians were much less mobile, preferring selected areas and regions (computer and information technology in Ireland and partially in the United Kingdom, as well as commuting to Austria and Germany). Finally, obvious differences can be identified concerning preparation for or membership in the Economic and Monetary Union (Slovenia, Slovakia and Estonia having adopted the euro, in contrast to the lack of enthusiasm of the larger new member states such as Poland, the Czech Republic and Hungary).

Enlargement to the East dramatically changed the external borders of the EU. It created new neighbours: Belarus, Ukraine and Moldova, as well as the Western Balkan countries; giving Greece a continental link to the rest of the EU – via



Bulgaria. EU policies reflected these geographic shifts to a limited extent only. This can be explained by two factors. First, history based policy coordination with deeply rooted vested interests (and still surviving stereotypes against the 'East') remained in place. Second, for different reasons, the new member countries did not realise that they had stopped being one-sided policy-takers, a situation that generally characterised the accession negotiation process. In fact, with full-fledged membership they entered the stage of active policy-shapers (of course not policy-makers). Nevertheless, most of them remained rather silent in the first years of membership. One can only guess whether this behaviour was due to a prolonged learning process; to the lack of a clear integration strategy; to a historically determined feeling of inferiority; or to a lack of regional cooperation. Nevertheless, the fact that until mid 2012 four new members assumed the EU Presidency Council position (Slovenia, Czech

Republic, Hungary, Poland) can be considered as a maturity test of membership and may create the scope for more active policy-shaping activities at the Community level in the next years.

A further lesson is to give more attention to the problem of *accession fatigue* which should be avoided in future member countries. The phenomenon of *accession fatigue* can be explained by several factors, such as a three-level transformation within half a generation (the democratic and economic transformation, adjustment to the EU and the impact of the global crisis). However, lack of dialogue with the society on the benefits and costs of EU membership and the natural consequences of economic and financial openness of most new members (with the partial exception of Poland) should also be taken into account. *Accession fatigue*, similar to *enlargement fatigue* in the old members, can be easily abused and misused by demagogic and populist politicians that have emerged throughout Europe - as a consequence of the global crisis and Europe's declining role in world affairs. In this context, both community-level and national actions are urgently required.

One of the open and very delicate issues is the emerging gap in some new member countries between an EU-conform attitude, that existed before membership, and increasingly nonconformist politics after accession. There are clear conditions for a country's accession to the EU, defined in the Copenhagen (plus) criteria. All applicants have made serious efforts to observe them in order to become members. However, once they are in they sometimes allow themselves to take positions which would definitely have complicated their accession had it occurred previously. Such behaviour can be witnessed in Slovakia, Poland and most recently – on a wider scale - in Hungary, while the Croatian attitude until this year raised some questions as well. Unfortunately, the EU's admissive attitude started earlier (see Berlusconi's Italy) and provided a 'good example' to others. Currently, the EU does not have an efficient and transparent legal framework and action plan as to how such violations of the basic rules of democracy and the market economy could be sanctioned. A clear position is urgently needed in order not to undermine the international confidence and trust in the EU as the guarantor of human rights and democratic principles in general, and not to destroy its credibility in the neighbouring countries (Eastern Partnership and Mediterranean basin) in particular.

New and future member countries have to be aware of their multi-level responsibilities to the community in which they became or are expected to become full-fledged members. First, they are responsible for maintaining the

international reputation, the values and a positive image of the European Union. Secondly, new members are jointly responsible to tackle politicians and parts of public opinion in the older member states where unjustified stereotypes and prejudices against the "East" still exist. Third, new members should help create a positive attitude towards accepting additional members, mainly the Western Balkan countries, countering the enlargement-sceptic public opinion in a number of member states. Last, but not least, they are responsible for the development of their own societies, citizens and economy in order to continue enjoying the benefits of belonging to a united Europe instead of losing out in the rapidly changing new global order and/or becoming hostage and the victim of self-imposed and unilateral expressions of independence. In this context, a clear stance from the EU is also urgently required.


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THE POLITICS OF ENLARGEMENT

The Challenge for Social Democrats

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INTRODUCTION

European socialists and social democrats have always been committed to, and at the forefront of, enlargement in the Western Balkans. The past two decades have seen many efforts towards the region. Progressives believe that peace, security and stability in the Western Balkans are of vital importance. Whilst the tragic events of the recent past remain in our memories, the countries of the region, alongside their European Union partners, affirm and assume their responsibility for building a peaceful and stable future for their people.

The perspective of EU Membership is a driving force for regional cooperation, institution building, political reforms and political stability. To keep up momentum in the EU accession process of the Western Balkans, in order to prevent an erosion of recent progress on peace and stability in the region, a progressive plan for enlargement which envisages fundamental and swift progress for the Western Balkans is strongly needed.

The PES has been pro-actively involved in the Western Balkans since the mid-1990s and has built solid networks with socialist and social democratic political parties and movements. The recent election victories of socialist and social democratic parties in the Western Balkans, namely in Croatia, Bosnia and Herzegovina and Montenegro, underscore the modern social democratic mind-set of the region and provide a promising political platform for the realisation of modern and progressive societies. This development has to be supported and sustained. New Memberships and Membership upgrades at the last PES Congress in 2009, accompanied by yearly PES Western Balkans Conferences and the formation of the PES Task Force on Western Balkans enlargement, have further strengthened this political priority of the socialist family.

The work of the S&D Group in the European Parliament has played a crucial role vis-à-vis the progress witnessed today, especially thanks to the efforts of its Rapporteurs and Group Chairs. Notwithstanding the challenges that are being faced in the EU, it is essential that the enlargement process is not forgotten, abandoned or neglected.

Having led the most crucial stages of the accession process of Bulgaria to the European Union as Prime Minister, I believe it is time to define a complete European future for the region by building a mutually beneficial relationship based upon a vision we all share – a vision of a new, united, democratic Europe – a Europe of tolerance, dialogue, solidarity and cooperation.

THE WESTERN BALKANS AND THE EU

In recent years, the region has made significant advancement towards EU accession showing the pro-European attitude of the countries in the Western Balkans. Serbia, Montenegro and the Former Yugoslav Republic of Macedonia (FYROM) joined the EU free visa regime in late 2009. Albania and Bosnia and Herzegovina joined the visa liberalisation regime in late 2010. In the past months there have been new successes in the enlargement process, with Croatia's signing of its Accession Treaty in November 2011 (with PES Prime Minister Zoran Milanović and the S&D Group's European Parliament Rapporteur Hannes Swoboda), while at the same time Montenegro was given a date for the start of negotiations (with PES Prime Minister Igor Lukšić and PES Parliament Speaker Ranko Krivokapić) and Serbia received candidate status (with PES President Boris Tadić). EU Membership has been a great motivator for reform and reconciliation across the Western Balkans. Momentum should not be lost and a renewed roadmap for enlargement must be swiftly implemented.

The Western Balkan countries face several key deadlines. Integration within the EU remains the only way to achieve regional security, stability and economic prosperity. The EU should recognise the importance of the current political moment in South Eastern Europe, a time of genuine shaping of the regions' true European character, where countries are engaged in difficult reform processes which are deeply transforming their societies. The progress in political and economic dialogue achieved in recent years gives the region an opportunity to be open and clear when outlining priorities and deciding upon the actions needed to achieve sustainable economic development and progressive social policies aimed at improving living conditions.

Human rights standards and judicial reforms have strongly improved, adherence to the rule of law has increased and the process of reconciliation has taken major steps forward. The PES welcomes these promising developments and will lead efforts to ensure EU citizens have a new forward looking image of the region, and leave negative connotations in the past. This is essential in order to resolve the remaining challenges on the path towards EU membership. Common goals and further regional cooperation are essential.

A common vision is needed to inspire all actors to actively work towards EU membership of the Western Balkans. This vision for a new Europe is our progressive plan for enlargement. The PES, as the European political family most committed to European integration for the Balkans, strongly endorses this new vision, taking full stock of the Thessaloniki European Council declaration of 2003, which stipulates the EU's values and the continuation of enlargement in the framework of the Stability and Association Process (SAP). It calls for the resolution of pertaining disputes and humanitarian issues as well as highlighting the importance of regional cooperation and economic prosperity for regional stability. Our solidarity and support is unwavering and we gladly welcome the regions' efforts towards EU membership.

Beyond the challenges of a national nature present in Western Balkan countries, including Kosovo, the governance structures of Bosnia and Herzegovina (BiH), the names issue of the FYR of Macedonia and the political tensions in Albania, it is crucial to make use of all instruments available to avoid a decrease in support for the enlargement process both in the EU and countries in the region. On one side, populist rhetoric from some conservative forces in the EU has developed increasingly stronger discourse on "*enlargement fatigue*", negative migration and organised crime. On the other side, we witness people who feel a less strong EU perspective in the Western Balkan region. At the same time there is a decrease in interest by the EU and its member states. As a result the pace of reform slows down and the risk of nationalist, identity and fear discourse reemerges.

The limits of current EU strategies towards the Western Balkans in terms of policy areas and budget are equally central. We tend to see the same trends of EU domestic policies reflected in the strategies of the EU towards the Western Balkans. That is: a strong emphasis on macroeconomics with little focus on jobs, investments, social welfare, healthcare, education and the environment. This is also reflected in the current Instrument for Pre-Accession Assistance (IPA) structures and their ability to overcome skills shortage, to attract sophisticated investment and to promote social justice and green growth. Overall, the EU's financial instruments focus too much on infrastructure and institution building investments. And then there is a question of budget.

The EU is spending less and less money per capita in financial assistance compared to previous accessions and in some cases the country's starting point is significantly lower. This is why it is crucial to ensure high efficiency and to maximise impact. The new approach by the European Commission to begin the negotiations with the most sensitive chapters in order to address the most delicate issues early in the accession process and the current discussions on IPA reform are important steps in the right direction.

European social democrats can be proud of the contribution that their representatives are giving to the Western Balkans within the EU institutions, namely the High Representative of the Union for Foreign Affairs and Security Policy Catherine Ashton, enlargement Commissioner Štefan Füle and President of the European Parliament Martin Schulz.

This year we can feel that the process is moving again; of course with its challenges and its issues, but it has a new momentum. The enlargement process is, once again, credible and predictable. The successes of Croatia, Serbia and Montenegro are clear evidence that the doors of the EU are not closed. What is important is that enlargement continues, that there is a country showing the way. Croatia's success must be used to re-energize the enlargement process, to encourage people in the region. It proves that the EU delivers on its commitments. It is important to build on this positive momentum. Political representatives must start a new constructive approach based on dialogue and fair compromises. Political contest in the Western Balkans cannot continue to jeopardise future EU membership and the aspirations of their people.

Based on my own experience from my time as Prime Minister of Bulgaria during the accession process I believe that two keywords constitute the very foundations of enlargement: the Copenhagen criteria and political consensus. The enlargement Process is not an end in itself and the conditionality upon which it is built is of vital importance both before and after accession for an effective and modern democratic system. Today several EU countries led by ultra-conservative and populist governments, Hungary in the forefront, are witnessing important democratic deficits which threaten the founding values of the EU. Electoral fraud, politically controlled judiciary, restricted media freedom and unaccountable secret service apparatus are only some of the challenges present within several EU member states and causing many to call for strict and efficient Copenhagen criteria monitoring and infringement mechanisms within the EU itself. Countries aspiring to become EU members must take stock of these negative experiences and be ambitious in their reforms and institutional arrangements.

The second pillar is that of political consensus. Political parties which are responsible and genuinely committed to accession to the EU must under no circumstances use negotiations and accession to the EU as a means to their short-term electoral gains. Only an approach characterised by bipartisan consensus can ensure swift and effective advancement on the path to the EU both within the Parliament and outside. EU accession must not be utilised for demagogic ends.

ECONOMIC, SOCIAL AND GREEN POLICIES

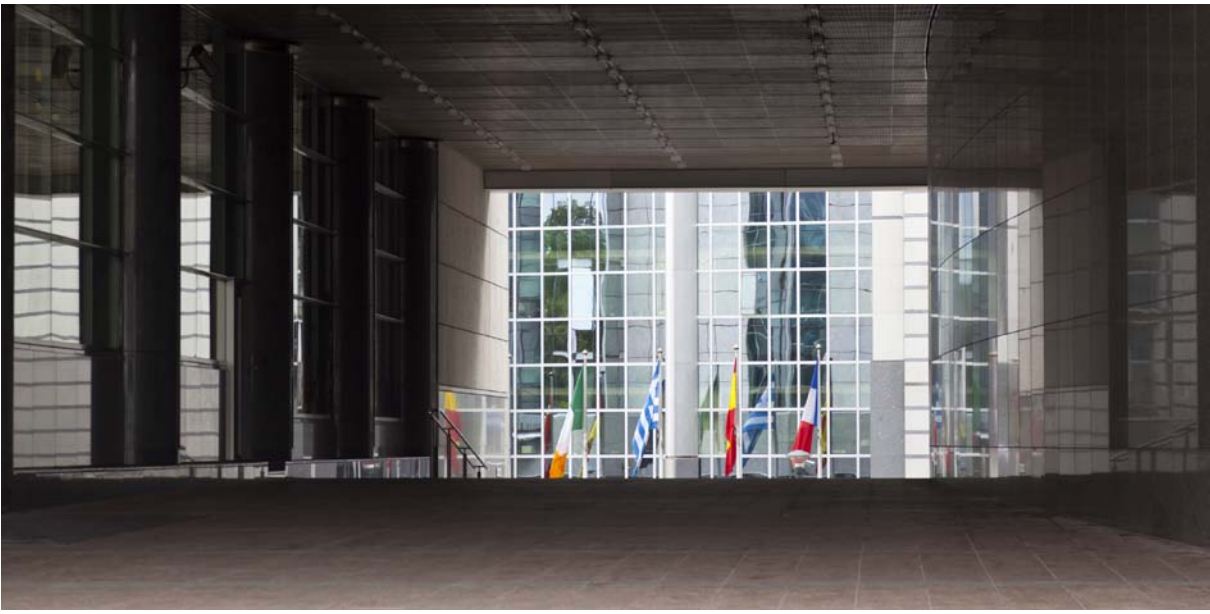
In the wake of the economic and social crisis, it is important to confirm the vision of a new momentum, a process back on track, a renewed perspective of accession to the EU to create strong and wealthy economies in the region, which are socially inclusive and fair. Today socio-economic problems such as a weakening social welfare system, poor access to health care and social services and alarmingly high unemployment are central challenges for the Western Balkan region. The impact of the global economic crisis on the economies of the region, which had already been struggling with high unemployment and substantial public deficits, has been severe. Strong social welfare systems are of the utmost importance to prevent a further rise of poverty and social exclusion. In the Western Balkans the number of socially disadvantaged persons is very high but the level of funding for their protection is very low. Strong commitment to additional reforms of the public sector is necessary to ensure the social inclusion of socially and economically disadvantaged and vulnerable groups, such as ethnic minorities, disabled persons, youth and the elderly.

To build an economically strong, green and socially just Western Balkans, policies need to emphasise a strong social dimension, combining employment policies with social protection and social inclusion policies in order to fight poverty and reduce inequality. In parallel, countries from the region should move towards low carbon economies, while guaranteeing a fair transition for workers during this process. A strong focus should be put on innovation, research and lifelong learning as main engines for job creation. Finally strategies should be implemented to avoid regional disparity, to strengthen trade unions, to ensure universal access to quality public services and to empower civil society.

In the aftermath of the crisis the region needs fair growth, jobs and social justice. Progressive policies for regional prosperity, with a view to the EU 2020 Agenda, need to be put in place. The Western Balkans have a vital role to play in the realisation of the 2020 Agenda, which has to be integrated in current EU policies vis-à-vis the Western Balkans. The Western Balkan countries

need socially inclusive and sustainable employment policies. Citizens need job creation programs, public education and training. The populations of the region have to be actively engaged in the political and economic processes through increased local ownership to create a strong, supportive and dynamic base for EU membership.

EU funds for the Western Balkans are intended for economic restructuring, to diminish regional development disparities and for the advancement of rural areas as well as the adoption of various technical standards. In this context, it has to be assured that people, their welfare and their opportunities remain the central focus. To this end, the region needs socially inclusive and sustainable development policies. The challenge for EU enlargement policies in order to guarantee social stability, inclusive societies and sustainable growth in the Western Balkan countries is to ensure that a significant proportion of EU funding is allocated to social measures as opposed to macro-economic strategies. In this way welfare is not sidelined and the EU integration process does not disregard the protection of peoples' socio-economic rights. One of the main challenges for the EU in the Western Balkan region is to consolidate the welfare state by strengthening the public sector and the supply of public services in order to grant protection to those in need and to promote an inclusive society for the benefit of the people.



THE DANGER OF NATIONALISM

During the last two decades the Western Balkans have not only undergone a difficult period of economic and political transition, but we have also witnessed the rise of ethno-nationalism in several countries, along with problems of national identity, state formation and the exclusion of minorities. While the pro-European mind-set continues to be strong in all segments of society, the governing political spheres and domestic politics are, in some instances, marked by a growth of nationalist tendencies.

The self-serving nationalist agendas of some right-wing leaders in the Western Balkans may lead to ethnic division, distrust in democratic institutions, economic stagnation and growing poverty. The promotion of nationalist sentiments creates an anti-democratic climate and is a major threat to the peaceful and stable development of the region. Furthermore, it undermines multi-ethnic societies, necessary reforms and the perspective of accession to the EU. The main challenge for the Western Balkans is to overcome these nationalist aspirations and rhetoric, which are still a decisive part of political culture in some countries. The animosity of the past must be overcome to build a stable and prosperous future characterised by modern and efficient democracies.

The only way to build democratic and multi-ethnic societies, which acknowledge and represent all minorities, is through dialogue and regional cooperation. Leading figures of the progressive family have shown their determination to act according to such principles. The historical steps taken by President Tadi□, President Josipovi□ and President Komši□ are a model for the region as a whole.

Political instability and democratic weaknesses must be addressed. Nationalism has not been entirely eradicated and a new phenomenon of successful populist movements, as elsewhere in Europe, cast a shadow over the path to democracy, peace and security. Loss of public confidence in political parties, as well as the challenges of political demagogy, populism and nationalism, must be a priority on the EU's agenda. European socialists and social democrats have always expressed their opposition to the political forces which incite division based on ethnicity. We are committed to the development of pluralist, multi-ethnic societies, in line with our political values and our commitments to ensure a European future for the Balkans.

Extreme nationalism and ethno-centrism are a challenge to the EU agenda, to be overcome with increased efforts. The countries of the Western Balkans belong to the European Union and should pursue their path steadily to accession. The PES supports its pro-European political partners in the region in this endeavor. Renewed focus on the perspective of accession is crucial to curb nationalism and inter-ethnic conflicts and would be a driving force for regional cooperation, institution building, political reforms and political stability.

CONCLUSION

A progressive strategy for the Western Balkans is the best way to tackle the challenges ahead and to show more solidarity with the region.

The objective of the strategy is to keep up the commitment to reforms, against the background of averted attention from the region, derailing the EU's commitment and thereby impeding the momentum needed for the accession process. The fundamental aim of this strategy is to promote a reassessment of the current funding priorities towards a focus on social spending of the overall funding of the EU to the Western Balkan countries.

European social democrats have played a vital role in explaining to European citizens why enlargement is of the utmost importance, our efforts have kept the enlargement process credible and engaging. This must continue in the wake of the economic crisis when the region witnesses a very fragile recovery.
A progressive strategy to keep up momentum for EU enlargement is crucial to prevent instability, social unrest and the rise of extremist or populist political projects inciting inter-ethnic tensions.

EU enlargement is still able to deliver; this was shown by the successes of Croatia, Serbia and Montenegro in 2011. This sends a powerful message of hope, commitment and determination. These countries have set the path towards EU membership for the region. All Western Balkan countries must respect the principles of commitment, conditionality and credibility, which have to continue to be situated at the core of accession.

PES Member Parties and governments in the region have taken their respective countries through the process with responsibility and resolution, making tremendous efforts, implementing crucial democratic reforms and ensuring war criminals are brought to justice. This needs to be continued, and the momentum following these successes must take enlargement in the Western Balkans even further. Croatia's advancement embodies this new momentum and must be

used to re-energize enlargement and encourage the people of the Western Balkans. What is now required is a progressive plan on how to continue this process and build on the current drive.

Social democracy is a force for justice and democracy in the region, committed to reconciliation and political opening. The social democratic parties and governments, now including Croatia, joining BiH, Montenegro and Serbia, are a uniting force that can overcome the challenges of division and be the only catalyst able to implement our vision for a new Europe, our progressive plan for enlargement. The strong presence of progressive leaders in the region, notably Zoran Milanović, Ivo Josipović, Igor Lukšić, Ranko Krivokapić, Boris Tadić and Zlatko Lagumdžija, is a proof of that. Curbing tensions and uniting civil society, social democracy is a progressive force in favour of multi-ethnic societies, committed to building a united and just Western Balkans with a prosperous future in the European Union.



The 100% Union: The rise of Chapters 23 and 24

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The adoption of the Copenhagen criteria for accession to the European Union specified the benchmarks to be met by the accession countries and launched a development which put crucial topics such as the respect for fundamental rights and the rule of law high on the enlargement agenda. This chapter outlines the reasons for this shift in focus, the developments that followed and the new approach put in place by the European Commission, bringing chapters 23 and 24 into the centre of the EU accession process.

INCREASING RELEVANCE OF RULE OF LAW AND FUNDAMENTAL RIGHTS

Europe has seen important changes since the end of World War II, particularly the fall of the Iron Curtain and the integration of the Central and Eastern European countries. These changes also brought about a shift of public attitude towards rule of law and fundamental rights. With State authorities being seen as service providers rather than protected elites, citizens expect conditions that allow them to live in a safe and prosperous environment, protecting their rights in terms of the State authorities themselves as well as safeguarding them from criminal activities. This means that the judicial system must work effectively and efficiently, organised crime and corruption must be held at bay, and fundamental rights must be respected.

While, for example, bribing foreign civil servants had been widely accepted in the past and bribes could even be tax deducted in certain countries, this situation has now changed completely. Following the U.S. Foreign Corrupt Practices Act of 1977, European countries also increasingly criminalised such practices, and this has become an international standard that is also codified in the UN Convention Against Corruption.



These changes in society have also been translated into EU policies in general and enlargement in particular. Rule of law and the respect for fundamental rights are especially important in light of further integration within the Union. Developments like the establishment of the Schengen area and the European arrest warrant are built on mutual trust between the legal systems of the member states. Therefore, these systems need to ensure efficiency and the protection of citizens' rights. Accession countries also need to meet the high standards expected of them. The Stockholm Programme, which sets out EU priorities in the area of justice and home affairs, elaborates that in the Western Balkans "further efforts […] are needed to combat organised crime and corruption […] and to build administrative capacities in […] law enforcement and the judiciary in order to make the European perspective a reality".

THE DEVELOPMENT OF CHAPTERS 23 AND 24 IN THE ENLARGEMENT PROCESS

The founding of the European Communities and initial accessions were predominantly based on political decisions without clearly defined criteria. This situation changed with the Maastricht Treaty and the conclusions of the Copenhagen European Council in 1993. Signed in February 1992, the Treaty sets out in its Article O that: "Any European State may apply to become a member of the Union." The conclusions of the Copenhagen European Council further defined the conditions for membership. The Copenhagen criteria require:

> "that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with the competitive pressure and market forces within the Union."

With the Copenhagen criteria, key elements that later became chapters 23 and 24 were formally included in the accession process. At the same time, the Copenhagen criteria opened the way for enlarging the Union towards the transition countries in Central and Eastern Europe ("fifth enlargement"). With the definintion of concrete criteria to judge the suitability of countries to join the Union, their accession became a question of "when" they would join rather than "if" they would join at all.
The accession criteria were subsequently specified in more detail in the Treaties through the Amsterdam Treaty (signed in 1997) and the Lisbon Treaty (signed in 2007). Article 49 of the Treaty on European Union now clarifies the general conditions for accession to the European Union: "Any European State which respects the values referred to in Article 2 and is committed to promoting them may apply to become a member of the Union." Article 2(1) of the Treaty on European Union states that "[T]he Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities."

Despite good results in a number of countries, experience from the fifth enlargement showed that transformation of a country, particularly in the rule of law area, can be a lengthy and difficult process. Accession negotiations with

Bulgaria and Romania revealed that shortcomings in key areas such as reform of the judiciary and the fight against organised crime and corruption had not been fully overcome.

In order to remedy the identified shortcomings in the enlargement process, the 2005 negotiating frameworks for Croatia and Turkey introduced a specific chapter 23 - "judiciary and fundamental rights" - in addition to the previously existing and then renumbered chapter 24 - "justice, freedom and security". Both chapters cover key rule of law issues, in particular reform of the judiciary and the fight against organised crime and corruption. The renewed consensus on enlargement, as endorsed by the 2006 European Council, has further strengthened the focus on the rule of law in the accession process: "Accordingly, difficult issues such as administrative and judicial reforms and the fight against corruption will be addressed at an early stage." In parallel, the accession of Bulgaria and Romania to the European Union in 2007 was accompanied by the establishment of the Cooperation and Verification Mechanism to ensure ongoing reform efforts also after the two countries had become member states.

The creation of chapter 23 and the use of opening and closing benchmarks in the accession negotiations have proved to be a powerful tool to push reforms within the enlargement process and throughout the whole pre-accession period. Chapter 23 and 24 issues have become very important in Croatia and have to a large extent determined the final stages of accession negotiations.

The 2009 Enlargement Strategy again highlighted the rule of law as one of the key challenges within the enlargement process: "[T]aking into account experience from the fifth enlargement, the rule of law is a key priority which needs to be addressed at an early stage of the accession process. With EU assistance some progress has been made in putting into place effective legislation and structures to fight corruption and organised crime, but rigorous implementation and enforcement of laws are necessary to achieve tangible results."

THE CONTENT OF CHAPTERS 23 AND 24

The elements compiled under chapter 23 are closely linked to the political criteria, which need to be met for overall negotiations to begin. They include four main headings - judiciary, fight against corruption, fundamental rights and EU citizens' rights. Due to the limited amount of "*hard acquis*" in many of these areas, the requirements to be met are mainly to be found in general principles and European standards. This occasionally makes it difficult to determine exactly the target to be reached and how to measure progress.

Chapter 24 covers the fight against all types of organised crime (including drug and arms trafficking, trafficking in human beings etc.) and terrorism, the Schengen rules, border control and visas, as well as migration, asylum, judicial cooperation in criminal and civil matters and police and customs cooperation. The area of fighting organised crime and terrorism particularly raise the question of how to measure progress.

KEY CHALLENGES FACED IN THE AREA OF CHAPTERS 23 AND 24

Many of the current enlargement countries, namely those situated in the Western Balkan region, are still undergoing a transition period. The fall of the Communist regimes and the wars accompanying the splitting up of Yugoslavia were fertile ground for the development of criminal networks, which were involved, for example, in cigarette smuggling or self-enrichment through the privatisation process. Some of these networks still persist and have found new areas of activity, such as drug trafficking and trafficking in human beings. In other cases, illegally acquired fortunes are now being invested in the legal economy and threaten to gain influence over decision making in these countries. Corruption is widespread and the judicial systems sometimes struggle with unsuitable personnel recruited under the previous systems and a lack of efficiency.

At the same time, the limited availability of clear and unambiguous rules, i.e. *hard acquis*, especially under chapter 23, makes it difficult for the candidate countries to identify exactly which reforms they need to adopt. An independent judiciary may be structured in different ways; rules that produce convincing results in certain member states with a long democratic tradition and independent institutions might not work in a transition country. Moreover, measures which might produce results in transition countries, such as wide-scale vetting and potential dismissal of established judges and prosecutors, can sometimes be difficult to reconcile with European standards such as permanent tenure in judicial functions.

Another question that arises concerns the measurability of progress and benchmarks for accession. Perception indicators of various kinds sometimes give the impression that a precise number can be applied to the level of corruption or organised crime in a country. Nevertheless, it is extremely difficult to assess the real levels of such crimes accurately. One can indeed produce surveys on corruption experienced by citizens or perception of political corruption, but the results are often influenced by a number of factors, and reliable figures on high level corruption cannot be found in this way. One can also analyse the existing legislative and institutional framework and the results produced by the law

enforcement institutions, but it may remain unclear whether higher numbers of convictions are the outcome of a more serious crackdown on corruption or actually the result of an increase in such offences.

The European Commission has gone to great lengths to produce a realistic picture of the situation in the enlargement countries, particularly in its annual Progress Reports, involving, for example, broad consultations with numerous stakeholders, expert missions and input by EU Delegations and Agencies. However, any final assessment, which does not limit itself to individual aspects of the problem, must be based on an expert evalution of all available sources, including a weighing of the different information provided; therefore, it will always be open to certain criticisms. As an expert evalution will be qualitative and does not lead to a numerical result, it is also impossible to to give a concrete, unambiguous final target for each part of chapters 23 and 24.

In these circumstances, it is crucial that the European Commission, with the help of member states' experts, supports the enlargement countries with concrete guidance and suitable models for the specific countries. This should go beyond the existing *acquis* and take into account the specificities in each of the countries concerned. Such guidance is currently provided under the Instrument for Pre-accession Assistance (IPA) and the TAIEX instrument. However, recent efforts to use expertise directly from inside the EU institutions on a broader scale should be pursued further.

THE NEW APPROACH ON CHAPTERS 23 AND 24

As set out above, significant improvements, such as the new chapter 23, have already been introduced in the accession negotiations with Croatia. Nevertheless, rule of law issues have, to date, only been addressed in a comprehensive way at a fairly late stage of the accession process. Reform efforts were slow in the period before opening the chapter, including from the formal opening of negotiations in October 2005 to the proposal of chapter 23 "opening benchmarks" in mid 2007. Only with the chapter 23 opening benchmarks, was there a strong and effective target for Croatia to prioritise these key issues. Thus, the overall negotiation period for this chapter was relatively limited. Given the challenges faced in chapters 23 and 24, and the long term nature of the reforms, there are strong arguments in favour of opening these chapters earlier in the negotiations process.

Despite certain drawbacks, the use of opening and closing benchmarks in the accession negotiations has proved an effective tool. Moving in a similar direction, during the visa liberalisation dialogues with five Western Balkan countries, detailed roadmaps were applied and led to substantial progress in different JLS areas. This proved again the effectiveness of an approach which sets concrete, specific requirements to accompany the countries along the path of reforms, thus allowing them to better focus their efforts. In addition, the visa liberalisation roadmaps not only provided the benchmarks to be met, they also served as a clear guidance for the countries on how to reform important areas.

Therefore, the European Commission, in its 2011 Enlargement Strategy, proposed a new approach to chapters 23 and 24. This would focus on extending the timeframe of negotiations on the two chapters and would strengthen the use of benchmarks trough the introduction of interim benchmarks. It would be applied to all candidate countries starting accession negotiations, with Montenegro being the first.

As one of the key innovations, the two chapters would be among the first to be opened and the last to be closed, once a solid track record of reform implementation has been achieved. In order to implement this, the screening, i.e. the presentation of the *acquis* under these chapters (explanatory screening meeting) and the country's reporting on meeting the *acquis* (bilateral screening meeting) would be conducted as early as possible.

As a second step, Action Plans would be drawn up by the candidate country. These Action Plans should fall within the ownership of the candidate country, but would be based on clear guidance arising from the screening. The screening reports should provide substantial input, setting out in a clear and structured way the framework for negotiations and the tasks to be addressed by the candidates in the Action Plans. They would also take into account the individual circumstances of each candidate.

The adoption of the Action Plan should be the only benchmark for opening chapters 23 and 24, thus ensuring that the time period for negotiations is as long as possible. In addition, the Action Plans would provide the roadmaps for the negotiations, setting out measures to take and milestones throughout the process.

With the opening of the chapters, interim benchmarks would be set, instead of closing benchmarks being defined immediately at this stage. Only once the interim benchmarks (included in the opening EU Common Position) have been met

sufficiently, would closing benchmarks be adopted. These closing benchmarks would require the candidate to demonstrate a solid track record of reform implementation across the board, based on clear actions and measures to be taken over time. Only when these requirements are met, could the chapter be closed.

In order to help candidate countries fulfil their commitments made in the Action Plans, specific incentives and support measures would be put in place. Financial assistance under the Instrument for Pre-accession Assistance (IPA) would be better targeted at earlier stages of the process, and would adopt a sectoral approach, including sectoral budget support based on clear comprehensive plans.

Candidates' accountability would be strengthened through corrective measures, which could be adopted in case of problems occurring during the negotiations. One possibility is to request new or amended Action Plans or additions to interim benchmarks if the situation on the ground requires such changes. Moreover, if progress on chapters 23 and 24 significantly lags behind overall progress, negotiations on other chapters could be stopped or slowed down until this disequilibrium is resolved. As in previous enlargement rounds, there would also be the possibility to suspend negotiations completely in case of serious and persistent breaches of principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law.

In this way, the new approach leads to a stronger focus on rule of law issues in enlargement countries at earlier stages of the process. It provides for additional time for negotiations, structures these negotiations more clearly, and links progress more directly to overall progress in negotiations. This will ensure that reforms produce a track record before actual accession and that sustainability is ensured.

THE QUESTION OF DOUBLE STANDARDS AND THE WAY FORWARD

Prioritisation of chapters 23 and 24 has triggered some criticism that the EU is requiring higher standards from the current enlargement countries than in previous accessions or than the EU member states currently meet themselves. On the one hand, this would not necessarily constitute a problem, as the EU should not be a union based on the smallest common denominator of values. With increasing integration of the Union, it is important to strengthen trust between the member states and to ensure a high level of protection of citizens' rights. Where shortcomings exist, member states must take the necessary measures required to improve the situation. For newcomers, this can result in higher benchmarks for accession.

On the other hand, it cannot be denied that there is a need to have a closer look inside the EU itself. The judicial systems in certain member states are not as independent and efficient as citizens would expect. Corruption is a concern and effective prosecution can be hampered by political influence or restrictive procedural provisions. The situation regarding fundamental rights and civic freedoms is likewise not always satisfactory. The European Commission has only started to address these issues, for example, with the establishment of a monitoring mechanism for corruption within member states and efforts to establish minimum standards in relation to certain criminal offences. More needs to be done inside the Union and member states must be ready to be scrutinised themselves in order for it to remain a credible exporter of values to third countries.

The author is an official at the Directorate General for Enlargement of the European Commission. The article represents solely the views of its author and cannot in any circumstances be regarded as the official position of the Commission.



EU in Kosovo - Kosovo in the EU

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KOSOVO IN THE EU?

Europe Day fell on a Wednesday this year. Prishtina was bubbling with kids. Schools were given a day off, as were most public institutions in Kosovo. EU flags were waving everywhere. It was a day full of activities, including a street fair, football tournaments and EU funded documentary screenings. These activities were organised by the European Union Office in Kosovo/European Union Representative in Kosovo and supported by Kosovo institutions. As the EU Office in Kosovo press release stated afterwards:

"*Citizens had the chance to get first-hand information on EU and relations between Kosovo and Brussels from EU institutions, including EUSR/Head of the EU Office Samuel Žbogar, representatives of EU member states, ambassadors, as well as representatives of Kosovo institutions.*"[1]

For a day, Kosovars were able to forget that their country is the only one in the Balkans without contractual relations with the EU. They could forget that Kosovars are the last remaining Balkan people who cannot travel freely to the Schengen area and instead have to stand in long degrading lines, in front of Schengen member state embassies, hoping for a positive response to their visa application, but most likely receiving a negative one. The paradox of this particular Wednesday - when Kosovo institutions take a day off to celebrate something that they do not have and are not a part of - was painful to experience. It underlined both the challenges that Kosovo faces in its EU accession, as well as the lack of honesty with which Kosovo policymakers and EU officials in Prishtina have decided to deal with these challenges.

INSTEAD, EU IN KOSOVO

When the war in Kosovo broke out, it became clear to the EU that its approach to the Western Balkans must change dramatically: it had become clear that unintegrated, the region could threaten the old continent's peace and stability. A proposal was therefore put forward by the European Commission (EC) to give the region a real EU perspective through a Stabilization and Association Process. In this way, the EU could enter into contractual agreements with the different countries of the region and condition democratic reforms within each country in return for eventual EU membership.

In the Communication that the European Commission (EC) sent to the Parliament in May 1999, the Commission elaborates this proposal to develop:

"*…Stabilization and Association Agreements, a new kind of contractual relations, taking into account the individual situation of each country, with a perspective of EU membership on the bases of the Amsterdam Treaty and once the Copenhagen criteria have been met.*"[2]

Subsequently, this became clear in a EU policy in 2003, at the Thessaloniki Summit, when all EU member states declared their support for the EU perspective of the countries comprising the Western Balkans.

At this time, Kosovo was administered by the UN. The United Nations Interim Administration in Kosovo (UNMIK) was unable to represent Kosovo and lead it into a contractual relationship with the EU. Instead, it was the EU that set itself up as a part of UNMIK and through this vehicle, helped govern Kosovo in its post war phase. The EU ran Pillar IV of UNMIK, dealing with reconstruction and economic development, including the privatisation of state owned property. Of these, reconstruction was their most successful project, with money spent on rebuilding some of the private property destroyed during the war. As for the rest, to date, Kosovo suffers the legacy of a delayed and flawed privatisation process and remains the poorest country in the region, also having the highest rates of unemployment. In addition, EU-inspired reform in administration and other areas remain slow throughout.

In the rest of the region, the EU was more successful in inspiring lasting reform. By 2008, Albania, Macedonia, Serbia, Montenegro and Bosnia underwent major institutional reforms in internal security, immigration policy and practice, data

security, production of passports, management of borders – as a part of the visa liberalisation process. They were each given a list of conditions to meet (a Roadmap) in order for their citizens to be eligible to travel to the Schengen zone without a visa. Aside from the reforms mentioned, these conditions also included standards such as anti-discrimination and minority rights. In less than three years, each country managed to implement the reforms they were presented with and became eligible for visa-free travel.

Successful reforms in all other sectors led to Croatia's full EU membership (expected in summer 2013), Montenegro's start of accession talks and both Serbia and Macedonia's candidate status.

The reason for the EU's success in the rest of the region lies in the very approach that it employed in these cases. The EU started a bilateral process in the region, having each country as partners. It clarified the reforms which were required, gave instructions on how to do them, assessed the results fairly and gave rewards at the end of the process, if the reforms were successfully implemented.

In Kosovo, the EU tried to do something else, in the form of hands-on governing. This not only created an unhealthy dynamic - when one party is always the subject and dependent of the other – but the EU was simply not good at governing Kosovo. Kosovo has a predominantly young and rural population, making education and rural development policies a priority. However, the EU had other priorities for Kosovo, which were reflected in the assistance it received through the Community Assistance for Reconstruction, Development and Stabilisation (CARDS) funds. The total CARDS budget for Kosovo for the years 2000-2006 was close to 1 billion euro, of which less than 7% went toward education and rural development. It was clear that no lasting results could be achieved in the priority areas if the funding dedicated did not match its urgency.

A CHANGE OF HEART

In 2008, Kosovo declared independence and 22 out of 27 EU member states recognised the new country. The opportunity to establish a different relationship with Kosovo and get it started on the EU track was created. However, this opportunity was not used to its fullest potential.

In October 2009 the EC proposed to start the visa liberalisation process with Kosovo:

"… *The Commission, within the limits of its competence and in the light of UN Security Council Resolution 1244 (1999), should start a visa dialogue with Kosovo with a view to establishing a roadmap for visa facilitation and liberalisation similar to those established with Western Balkan countries.*"[3]
The visa liberalisation process had little to do with Kosovo's statehood, so it was possible to start this process with Kosovo, despite the five non-recognitions. After all, Taiwan has not been recognised by any of the 27 EU member states, yet it managed to move forward quickly and receive visa free travel for its citizens.

However, Kosovo did not receive the Roadmap until June 2012 – a full three and a half years after the initial proposal was made by the EC. And the Roadmap which Kosovo received is a very different document to that given to the rest of the region. Not only is it much more demanding – and the EU has full rights make demands that Kosovo's institutions implement real reform before it moves forward on visa liberalisation – but it also contains articles (enhanced consultation with the member states (MS)) that will allow the MS to move the goal-posts in the process as they see fit. The visa liberalisation process throughout the rest of the region was successful precisely because the requirements were clear, remained consistent throughout and the assessment of their fulfilment strict but fair. It will be hard to convince the Government of Kosovo to implement costly reforms to meet EU visa liberalisation criteria if these criteria are open to further change.

In March 2012, the EU proposed a Feasibility Study for Kosovo – a comprehensive assessment of the readiness of the Kosovo Institutions for the future accession process. For the countries of the region, the Feasibility Study mechanism led to the signing of an SAA. This will not be possible for Kosovo, since unanimity among the EU member states is required for the EU to be able to establish contractual agreements with countries that want to join the EU. In this case, the five non-recognitions will play a key role in preventing the EU from entering into such a contract.

Today, four years after Kosovo declared independence, its EU perspective continues to look grim.

THE EU LEGACY IN KOSOVO

After Kosovo's declaration of independence, the EU continued to treat it more as a protectorate and less a potential partner in a future EU accession process. On the eve of Kosovo's declaration of independence in 2008, the Council of the European Union established the European Union Rule of Law Mission in Kosovo, EULEX Kosovo.[4] The mission of EULEX is to mentor, monitor and advise Kosovo judges, prosecutors, custom and police officers, while retaining executive responsibilities over specific crimes.[5] The mission was deployed on December 9, 2008 and declared itself fully operational by April 6, 2009.

The structuring of the mission's personnel was the first important factor hindering its success. In Kosovo, the only country in the region rated to have established a solid police force, yet whose performance is recognised to have been hampered by weak prosecutors and corrupt judges,[6] the EU deployed a mission consisting of 1,700 international staff, of which over 1,300 were police officers, 40 judges and only 20 prosecutors.[7] Since the structure did not meet the country's needs, most of the EULEX police officers have never left their barracks during their mission.[8] When they were engaged, it was usually in northern Kosovo, where they performed more of a peacekeeping role and were less involved in the rule of law. At the same time, EULEX was trying hard, but failing, to distinguish itself from UNMIK, which had lost public support during the latter years of its governance.

The key element which undermined the efficiency of the EULEX mission was the EU member states' unwillingness to provide the mission with more judges and prosecutors. At the same time, senior EULEX staff started their work in Kosovo by making bold promises to fight corruption and organised crime, particularly to hunt the "big fish" - namely to pursue high profile corruption cases involving important political figures. This raised expectations among the population who, after eight years of UN administration in Kosovo, had lost hope of international assistance with the rule of law. Between 1999 and 2008, UNMIK judges each resolved on average 1.5 criminal cases per year. EULEX judges did not fare much better in their first two years, with each judge resolving, on average, 1.75 cases a year. A lack of concrete results in fighting organised crime and corruption was followed by intensified public impatience for results. Needless to say, none of the "big fish" are yet behind bars, fuelling lack of trust in EULEX's ability to bring justice to Kosovo.

During the summer of 2012, as Kosovo's authorities and the international community prepare to end the supervision of Kosovo's independence, both

the government and the EU have drafted plans for the termination of EULEX's mandate. However, the Council of the European Union decided to extend the mandate of the mission for another year, until June 2013, with an open-ended clause.[9] The mission is expected to go through reforms and take a different approach when it comes to restoring the rule of law in Kosovo's problematic north.

The mission says that so far, they have issued 33 verdicts involving 55 defendants, out of whom 37 were found guilty.[10] This information, in itself, indicates the inefficiency of the mission's executive staff. Although the mission's prosecutors pressed charges against 55 people, out of hundreds that were investigated, only 37 were found guilty. This is a very high percentage of failed charges, considering that EULEX deals with only the most sensitive cases of high profile corruption, war crimes and organised crime.
Until this year, EULEX has spent more than 500 million euros of EU taxpayers' money. The annual budget for this year will be 111 million euros. Some MEPs have started arguing that the mission is very inefficient, especially considering how small the population of Kosovo is and the minimal results delivered by the mission.[11] This has further damaged EULEX's reputation in Kosovo and, consequently, also tainted the overall reputation of the EU in Kosovo.

Another tumultuous legacy of the EU in Kosovo lies in its facilitation of the technical dialogue with Serbia. Following a resolution of the General Assembly of the United Nations (UNGA) of September 9, 2010, the European Union took the lead in facilitating a dialogue process between Kosovo and Serbia.[12] The EU's involvement in the dialogue, and the discourse promoted by Brussels that this process will be a gateway for eventual integration of Kosovo and Serbia into the EU, created high hopes, albeit also a fair dose of criticism by radical political forces in both countries.

The EU appointed Mr. Robert Cooper as chief facilitator of the dialogue, who pushed an agenda that focused on issues between Kosovo and Serbia which were more technical and, at first sight, easier to resolve. At the same time, the EU facilitators remained neutral on the questions of Kosovo's legal and political status.

However, the political situations in both countries - a fragile government in Kosovo and the expiring mandate of the Serbian government – in addition to an unequal treatment of the parties by the EU, resulted in failure. After one year and eleven rounds of talks, the EU reached 7 conclusions that were treated

as agreements and were supposed to be implemented by the parties.[13] Their implementation has not been successful thus far.
This dialogue has been heavily criticised in both Kosovo and Serbia. Kosovo's authorities, on the one hand, made the mistake of not creating a strategy to approach the negotiations that ensued, so blindly following instructions provided by the EU and making efforts to implement all the agreements from their side. On the other hand, Serbia had a very powerful strategy prepared for the dialogue, which was rather Janus-faced. While the Serbian team was negotiating with the Kosovo team in Brussels, the deputy prime minister of Serbia was promoting a policy for the partition of Kosovo.[14] Not only did the EU permit Serbia's lack of seriousness as regards this important process for the region, but as a facilitator, neither did it establish proper implementation mechanisms which could exert pressure and ensure that countries involved implemented the agreements.

The dialogue process has informally been put on hold because of parliamentary and presidential elections in Serbia. However, with the new far right government in place, it is uncertain on what basis it may continue in the future.

CONCLUSION

EU-inspired reforms have transformed Central and Eastern Europe (CEE) dramatically. All CEE countries that have joined the EU have experienced economic growth: country GDPs in 2010, as a percentage of 1989 GDP levels, were between 120-180% for all CEE countries. As for the Balkan countries which have not joined the EU, their GDP levels in 2010, as percentages of their 1989 levels, had either stagnated (Macedonia) or deteriorated (Serbia).

Accessions of the future may not bring the same kind of economic growth as they did to the CEE countries. The investments which poured into Bulgaria and Romania will not reoccur in the decades after the current financial crisis. However, the accession process in and of itself will still be an invaluable tool to facilitate and finalise the transition of the Western Balkan countries. That was the case with Croatia: in the decade it took for Croatia to move from membership application to a full member, tremendous efforts were made to establish and/or expand institutions and public administrations in order for them to be able to plan, create and implement appropriate policies which could move the country forward.

The accession process has become more difficult (a set of new assessment tools were introduced for Croatia during its accession process), which will mean that the new accessions will be slower and safer for the EU. Given the current circumstances within the EU, the chances for an acceleration of post-Croatian enlargement are slim. The EU perspective for Kosovo will consequently be even slimmer. The eventual recognition of Kosovo's statehood by the five non-recognising members may take longer than was initially presumed, leaving both the future of the EU in Kosovo and Kosovo's EU future unknown.

While the EU resolves its crises, the countries of the Western Balkans will be improving their preparations for accession. These safety measures should help the EU overcome some of its *enlargement fatigue* and push forward with the accession process for the region, especially in Kosovo, where it can act in both dimensions, remotely and locally. Despite the length of these processes, they must be assisted and never stopped. If the EU is serious about stability in Kosovo and the region, it must cease to treat Kosovo as an international protectorate and, instead, fully integrate it in a step-by-step accession process, which would benefit both Kosovo and the EU tremendously.

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Bosnia and Herzegovina Left Behind?

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For several years, Bosnia and Herzegovina has been standing still on its path towards Europe. The integration process has failed to progress since 2006. The political elites do not seem to show particular concern about the European Commission's negative reports and their dedication to the process is largely confined to paper. In the context of political autarky, and party domination of all existential and political processes, the European Union's membership as a challenge to be met is obviously not sufficiently attractive, since the elites are unwilling to clear their own ranks of the corruption which reaches to the highest political levels.

The lack of a shared vision among political representatives regarding the general direction and the future of the country and its institutional structure was noted in the European Commission's Bosnia and Herzegovina 2011 Progress Report. There is no political will, institutions are not functioning properly, and Bosnia and Herzegovina lacks a national integration programme and strategy, as well as a unified voice in its communication with Brussels. Bosnia and Herzegovina, as Igor Radojičić, the president of the Republika Srpska National Assembly, put it, is nowhere near consensus about the EU membership plan.[1]

Some believe that the European Union is going to fall apart in the meantime, using this to legitimise a possible dissolution of Bosnia and Herzegovina, while others hope that the European Union would "look the other way" and accept Bosnia and Herzegovina as a member state without having to fulfil all the necessary requirements, blaming the international factor for being insensitive to the country's state of affairs. There is a third element in the equation – the inconsistency of the European Union's policy, reflected in the lack of insistence on meeting requirements previously highlighted as important, such as the reform of the public broadcasting system, constitutional changes, and the Election Act.

Today, Bosnia and Herzegovina enjoys a negative image, which is equally true for the internal perception of the country. Some foreign magazines classified it as a "terrifying" country. Caught between a divided society and a weak administration, the country is burdened with internal national friction whose intensity has barely abated, despite the fact that seventeen years have passed since the war:

"*Such a Bosnia and Herzegovina – poisoned with mutual hatred and aversion to everyone not belonging to one's own nation and religion – is no more than a provisional state, ill-prepared for any kind of integration. Bosnia and Herzegovina is simply rushing back into its ugly past.*"[2]

A national census has not been conducted in Bosnia and Herzegovina since 1991, which means there are no current data on the size of the country's population. The political elites do not show any willingness to organise a new census – the country is simply standing still. And it could remain in such a state for decades to come. Some research on the mutual perception of the three constituent peoples of Bosnia and Herzegovina and their views on the country's present and future show there is largely no consensus about the former, let alone the latter.[3] One of the aggravating circumstances - in the view of the author of the research, Božo Skoko - on the path to mutual reconciliation and the creation of a joint state acceptable to everyone, is the lack of a single, common goal. Each constituent people, i.e. its political elite, have their own specific national goals. Their visions of the future also differ greatly.

An increasing number of analysts emphasise that the possibility of Bosnia and Herzegovina's accession to the European Union is obviously not enough to motivate change, and nor does it represent a motivating factor strong enough to unite the three peoples' political elites. This is why Bosnia and Herzegovina's accession to the EU seems to be an extremely remote and an almost unrealistic task, possibly to be undertaken by some future generations of politicians. Bosnia and Herzegovina's fundamental (constitutional) system requires consensus; the problem is that in this part of the world consensus is still perceived to be and represented exclusively as a sign of weakness. There existed for many years in Bosnia and Herzegovina the belief that economic progress was a common goal powerful enough to unite all its peoples and that an improvement in the standard of living of all its citizens would lead to the much-needed cohesion within its borders. However, experience acquired during recent decades show that the economic component cannot be viewed as distinct from politics and mutual interests articulated by the country's ethnic political elites and presented as being in the interests of the people. The war resulted in deep-seated distrust, and the political elites strengthened the already existing fear of the other, the different, all

of which contributed to the development of ill-concealed efforts to create new divisions within Bosnia and Herzegovina.

The Bosnia and Herzegovina of today is a country pregnant with history, where a lack of consensus about the war and about the responsibility for the war crimes committed poses the next grave problem weighing heavily on mutual relations. Each of the three constituent peoples considers itself to be the sole victim of the war and sees crimes as perpetrated exclusively by the other peoples, which results in three distinct interpretations of events that sometimes even involve rewriting the historical facts.

In such an atmosphere, with inflammatory national rhetoric fanning the flames, there is no trust whatsoever amongst the various ethnic groups in the country. The main victim of such a situation is Bosnia and Herzegovina as a state, since the level of identification of its Serbs and Croats with this "necessary evil" is extremely low. Political leaders selfishly represent only the interests of the people they belong to, failing to exhibit even the bare minimum of empathy with members of the other peoples.

Bosnia and Herzegovina nearly borders the European Union, and its political relations with the neighbouring countries are complex. Croatia should become a full member of the EU as of 1 July 2013. Montenegro has, after acquiring the status of an EU candidate country, started the negotiations on meeting the requirements for full EU membership. Serbia has the status of a candidate country, with no set date for the beginning of the accession negotiations. Four years ago, when the European Union and Serbia signed the Stabilization and Association Agreement, Haris Silajdžić, at the time the Bosniak member of the Presidency of Bosnia and Herzegovina, said that "Serbia enjoys privileges as no other country", adding that "a decision of the International Court of Justice is being disregarded, and persons responsible for the massacre of more than eight thousand civilians in Srebrenica have not been brought to justice".[4] For Željko Komšić, the Croatian member of the Presidency of Bosnia and Herzegovina:

"*Bosnia and Herzegovina is, in a sense, being held hostage by the situation in Serbia", and suffers injustice which demonstrates that the European bureaucracy does not adhere to any standards, but comes down to pure politics.*"

Following the arrest of war crime fugitives Radovan Karadžić, Ratko Mladić and Goran Hadžić and the signing of the agreement on cooperation and joint management with Kosovo, Serbia is, "technically speaking, at least two years ahead of Bosnia and Herzegovina",[5] according to Zlatko Lagumdžija, the current

foreign affairs minister of Bosnia and Herzegovina. Views on the progress of the neighbouring countries regarding their EU accession vary across different parts of Bosnia and Herzegovina and are often subjects of heated political debates, as illustrated by the views of some of the country's political leaders, noted above. The reality is discouraging – it reveals that while its neighbours are moving forward, Bosnia and Herzegovina lags behind. Until recently, the derogatory attitude towards Albania has been seriously challenged by the fact that Albania has now left our country behind where reform processes are concerned. When compared to Bosnia and Herzegovina, Albania has, in a way, become a part of "the West". Igor Davidović, the ambassador of Bosnia and Herzegovina to the European Union in Brussels and former chief negotiator for joining the EU, feels that, "when its path towards Europe is concerned", Bosnia and Herzegovina is "in an ice age".[6]

During recent years, political parties – those facilitating the integration process – spent more time on idle talk and trading on possible years and dates than on making genuine efforts and undertaking reforms in order for the country to be able to join the EU. During the spring 2010 European socialists' conference in Sarajevo, Zlatko Lagumdžija, head of the Social Democratic Party of Bosnia and Herzegovina and the current Minister of Foreign Affairs, spoke of Bosnia and Herzegovina joining the EU in 2014. Lagumdžija said to the Sarajevo magazine *Start*[7]:

"*If the election results fulfil our expectations, the liberalisation of the visa regime will be achieved by the end of the year, and we will join the NATO and the EU by the end of 2014*."

Following the October 2010 elections, the political winners took as long as 15 months to form the Council of Ministers of Bosnia and Herzegovina. Milorad Dodik, the President of the Republika Srpska, emphasising that Republika Srpska was an indispensable factor of the European integration processes, said that this part of Bosnia and Herzegovina was suffering damage caused by "Bosnia and Herzegovina's incapability, mostly because of a lack of compromise", and stated that the European Union was a strategic goal of Republika Srpska. According to him, Republika Srpska would be moving towards the EU faster if it was not for the Bosnia and Herzegovina.8 However, on several occasions, Dodik emphasised that he had visited EU countries and did not hold them in high regard, claiming that the citizens of Republika Srpska were more prosperous than people living in those member states. Dodik is categorical in his position that he would not sacrifice Republika Srpska for the sake of the European Union:

"*The Serb representatives are not ready to accept radical constitutional changes that could bring the survival of the entity in question in order for Bosnia and Herzegovina to move closer to the EU. We cannot accept the process of joining the EU to be exploited to radically change the constitutional system and to centralise the country. Republika Srpska is the guarantee of our survival, identity and prosperity in these areas, where our people has lived for centuries*".[9]

Dodik showed no self-criticism, he did not reflect upon whether the obstacles on this path originating from Republika Srpska, nor did he consider the role of the Republika Srpska in the failure to achieve compromise on issues key for Bosnia and Herzegovina.

In order for the Stabilisation and Association Agreement, the first contractual relationship between Bosnia and Herzegovina and the EU, to be able to enter into force, it is imperative that constitutional reform be implemented in the country, the implication of which would be compliance with the judgement of the European Court of Human Rights in the "Sejdić-Finci" case. The enforcement of this decision should, in effect, eliminate discrimination in the process of the nomination of national minorities' candidates. This means that, in essence, there are two important steps for the implementation of the judgement: the first one concerns the way national minorities' representatives are elected to the House of Peoples of Bosnia and Herzegovina, while the second one concerns the need to agree upon the way in which national minorities are to be enabled to run for member of the Presidency of Bosnia and Herzegovina. As is the case when reaching all political agreements in Bosnia and Herzegovina, this too is a very difficult, painstaking process, burdened with political skirmishes and a lack of understanding about basic European values.

The "Sejdić-Finci problem" has been discussed for years now, but no agreement has yet been reached: to all appearances, it seems to be in the hands of the six political leaders: the Croatian Democratic Union; the Croatian Democratic Union–1990; the Alliance of Independent Social Democrats; the Social Democratic Party of Bosnia and Herzegovina; and the Serbian Democratic Party.

Four years after it was signed, the Stabilisation and Association Agreement has still not entered into force, simply because all requirements have not been met. These requirements included the adoption of a State Aid Act and a Census Act.

Another serious problem is created by the fact that the processes of passing and adopting laws have been situated outside the institutions of the system, and

decisions are made by the leaders of the political parties in power. The application for EU membership is by no means to be submitted before the Sejdić-Finci judgement is implemented. The so-called "credible application" would imply that state institutions were ready to undertake the harmonisation and transposition of about 1200 binding EU rules (directives and regulations), based on the Stabilisation and Association Agreement alone. Bosnia and Herzegovina is also faced with the tremendous task of harmonising the national legislation with the EU legislation, which effectively means transposing more than 30,000 legal acts of the *acquis communautaire.*

In fact, Bosnia and Herzegovina must have a national programme for the adoption of the *acquis communautaire* – a document known as the "Integration programme". It represents an instrument for determining legislative, administrative, institutional and economic reforms' priorities, as well as the distribution of tasks between competent authorities. Bosnia and Herzegovina still does not have such a document. This is due to the fact that Bosnia and Herzegovina is also burdened with problems such as insufficient coordination and communication between various administrative levels, as well as by the lack of experts to work on the integration process. The absence of political will and continuous skirmishes about who is faster and who is standing in whose way, backed by a purely formal commitment of the political structures to the country's accession to the European Union, all result in a failure to meet the required commitments.

When compared with its neighbouring countries, Bosnia and Herzegovina is lagging behind considerably. As paradoxical as this may sound, their progress could act as a strong incentive for Bosnia and Herzegovina and provide it with a unique driving force that could prevent the country from remaining in the black hole of Europe:

"*The fact that politics in the neighbouring countries has become serious, which is a process that accompanies the EU integration, should have a positive effect on Bosnia and Herzegovina. If we look at Serbia and Croatia, there is a positive correlation between the progress achieved in the admission and accession process, and a more mature, normal relation to Bosnia and Herzegovina as their neighbouring country. This means that, although it may often seem unfair to us, a Serbia that is on a steady path towards the EU is in the best interest of Bosnia and Herzegovina.*"[10]

If the complete framework underlying both Bosnia and Herzegovina and the functioning of its political life is assessed, it becomes clear the country is mired

deep in so-called Balkan values, while simultaneously belonging geographically to Europe. In Bosnia and Herzegovina, nationalism is the language of communication – it has continuously been on the rise, and 2006 can be seen as a breaking point. Twenty years after the war broke out, Bosnia and Herzegovina remains an deeply ethnically divided country. Achieving reconciliation and building trust between the country's ethnic groups remain tedious, painful and painstaking processes which are further slowed down and inhibited by the current political elites. The government is not currently governing, with one half of the state not even recognising the existence of a national-level government:

"*Bosnia and Herzegovina is a complex structure, a state with a Council of Ministers instead of a government. Bosnia and Herzegovina should serve the entities, but no effort was spared in preventing this.*"[11]

The European Integration Directorate at the Council of Ministers of Bosnia and Herzegovina could be described as confused and disoriented. Corruption has become a way of life, and both the country and its political elites are facing numerous challenges, exhausting the complete scope of their actions, such as amending the Dayton Agreement, and swearing by the Dayton Agreement as the only possible framework for the existence of Bosnia and Herzegovina, speculation on Dayton II, and constitutional reforms. Collectively, this implies that, caught in this exhausting framework, Bosnia and Herzegovina is at a turning point: whether to make a choice between joining the European Union or representing the black hole of Europe.

Where do we go from here and what can be done? If, in an ideal situation, Bosnia and Herzegovina adopt the remaining legislation and find an acceptable solution to the Sejdić-Finci case, or, as it was emphasised in EU circles, take "convincing efforts to resolve this case" by the end of May 2012, it could submit its application for EU membership by the end of this year. However, realistic estimations imply there is very little chance of this happening and that the matter cannot be seriously considered before next year. Those dealing with forecasting dates and years feel that, in the case of the aforementioned ideal scenario occurring, and, on the condition that all other steps proceed without problems, Bosnia and Herzegovina could join the European Union in 2020. Many public opinion surveys and prognoses in Bosnia and Herzegovina indicate that this date is desirable for the majority of the population, although current developments within the European Union influence the views of Bosnia and Herzegovina's citizens about the Community. Euroscepticism is on the rise, and global challenges do not bypass Bosnia and Herzegovina.

Most citizens experience this process as abstract, and are unfamiliar with its possible benefits, such as the ways in which their everyday lives would change if the country was to become a member of the European Union. Politicians belittle the European Union and try to convince them they are actually much better off than the citizens of the EU. They too perceive this journey as a long one. The progress is very slow, almost resembling a standstill – and even when there is movement, it is often a backward one. The European Union is extending a helping hand to Bosnia and Herzegovina, already pronouncedly oriented towards Europe, but the key to Bosnia and Herzegovina's European policy lies in the hands of politicians, on whom everything else depends. This is why reaching the final destination of the path towards the EU within the following ten years seems such an impossible dream.

Therefore, without clear instructions, tasks and requirements, Bosnia and Herzegovina is unable to fulfil its commitments independently, and needs assistance. The question remains as to how and through which measures its political leaders could be persuaded to apply themselves to the integration process. This remains particularly challenging, when their support for integration is so limited, and when their attitude projects the view that Bosnia and Herzegovina can decide whether to accept the European Union as its member, and not the other way around. Sanctions are not an acceptable mechanism, since the path towards joining the European Union is based on a country's voluntary decision.

In April 2011, Milorad Dodik, Republika Srpska president, said that "Europe can continue with making its sanctioning criteria to its heart's content, but in this way it cannot prevent what is evident". Dodik sees Bosnia and Herzegovina as "unacceptable and illusory", and "as such" having no support, which means "they are writing these criteria to no avail".

According to all relevant research, in this country, with the roughly estimated population of 3.8 million and 540,000 being unemployed, dominated by political suitability, party obedience, nepotism, incompetence, and growing corruption, 70% of young people want to emigrate.

Essentially, the political will to make Bosnia and Herzegovina a member of the European Union is lacking, since the existing state of affairs is perfect for the political oligarchy. Bosnia and Herzegovina is, just like its elites and citizens alike, too self-absorbed and focused on settling its own affairs to resolve wider national issues. A short-lived flicker of hope and enthusiasm appeared after the decision on the formation of the Council of Ministers of Bosnia and Herzegovina, a process that took a year and a half to complete, but the conduct of the political leaders

and the political parties in power demonstrates how difficult it is to change old habits and patterns of behaviour. Changes in the paradigm of life, as well as in the way of thinking and relating to the fundamental values of the European Union are an absolute must if Bosnia and Herzegovina is to stay on the path towards Europe. The process of accomplishing this is going to be neither fast nor easy:

"*The main reason why Bosnia and Herzegovina lags behind in the European integration process is the absence of sincere interest. Regardless of the declarative dedication to the European integration, the fact that the leaders of the six political parties were so engrossed in the distribution of the ministerial seats that they brought Bosnia and Herzegovina's progression towards the European Union to a complete halt lasting for almost two years, including the election campaign and the elections, speaks for itself.*"[12]

The justice system is under the influence of politics; weak and unable to take on the corrupt, crime-ridden layers of society reaching to the highest levels of power; professional, free journalism is hampered by political influences in the media and by the advertising lobbies; some media serve political ends; the non-governmental sector is focused on its own survival and has turned into a project society, supporting Bosnia and Herzegovina's path towards the European Union not out of sincere, true motives, but only inasmuch as it is financially supported by international funds. Although Bosnia and Herzegovina is under a sort of protectorate, albeit never officially acknowledged, there is an impression that international officials have almost given up on the country, leaving its fate in the hands of political elites. Such inconsistent policy and messages only add to the existing confusion of the already baffled and poorly educated citizens of Bosnia and Herzegovina. The European Union failed to insist on the fulfilment of the requirements it had itself defined, such as the Election Act, constitutional changes, police reform and the reform of the public broadcasting system, thus sending the wrong message both to the elites and the citizens of Bosnia and Herzegovina. This stagnation was contributed to not only by the national political elites, but by both international institutions, and the lethargic, apathetic citizens, mentally imprisoned by the ethnical groups they belong to – all of which indicate what a new paradigm for Bosnia and Herzegovina would look like.

However, there are certain positive influences. The neighbouring countries' integration processes could provide Bosnia and Herzegovina with this much needed positive impetus. This would shatter certain dreams and illusions about the dissolution of Bosnia and Herzegovina, and help the country move forward, towards the EU. The influence of the social media on the local population needs to be used for raising awareness and informing citizens about what they can

expect after Bosnia and Herzegovina joins the EU, as well as for promoting European values: freedom of thought and freedom of expression, respect for human rights and the rule of law regarding each individual, with laws applying equally to everyone – values still somewhat unfamiliar in this part of the world.

KEY PHASES OF INTEGRATION:

- **May 1992:** Bosnia and Herzegovina recognized by the European Union
- **April 1997:** Special status
- **May 1999:** Decision and Resolution on accession to the European Union adopted
- **May-June 1999:** Stability Pact for Southeast Europe
- **March 2000:** Roadmap for the Feasibility Study: 18 requirements
- **June 2000:** "Potential candidate country" status
- **December 2000:** CARDS and asymmetric trade
- **September 2002:** 18 Roadmap requirements substantially completed
- **March 2003:** 346 questions for the Stabilization and Association Agreement (SAA)
- **June 2003/March 2004:** European Partnership
- **November 2003:** 16 priority areas for the SAA negotiations
- **January 2007:** IPA
- **December 2007:** SAA initialled
- **January 2008:** Agreement on readmission and visa liberalisation
- **May 2008:** Roadmap on visa liberalisation
- **1 July 2008:** Interim Agreement on trade and trade-related issues enters into force
- **November 2008:** Parliamentary Assembly of Bosnia and Herzegovina ratifies the SAA
- **14 December 2010:** the SAA ratified by 26 EU member states
- **15 December 2010:** beginning of the visa-free regime implementation.

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From Skopje to Brussels

Radmila Šekerinska,
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All is relative. Especially in politics and even more so in the Balkans. The region manages to rebut both optimists and pessimists and sometimes does so simultaneously. Yet, just as they adjust to the new image, the context changes. Predictions and scenarios are risky and often contain too many unknowns.

When analysing the Macedonian path to membership of the European Union, one is brutally reminded of these truths. Let us go back to 2005 when Macedonia was granted EU candidate status: the European Commission stated that "the country is well on its way to satisfy the political criteria set by the Copenhagen European Council in 1993 and the Stabilization and Association Process"[1] and the Council upheld that position; Croatia was just starting its accession talks, while all the other Western Balkan countries were lagging behind, without even having a Stabilization and Association Agreements in sight. That Macedonia would negotiate its EU accession more or less in parallel with Croatia was considered realistic.

Unfortunately, that scenario did not materialize. Though with varying speeds, the other countries in the region moved on: Croatia is set to become the 28th member of the EU in 2013; EU accession talks were opened with Montenegro; Serbia has become a candidate country; SAA's with Albania and Bosnia and Herzegovina have been signed; a feasibility study for Kosovo has been launched. Yet Macedonia appears "frozen": candidate status with no accession talks in sight.

What went wrong? In a nutshell: populism took over. For three years in a row, the European Commission issued critical progress reports on Macedonia due to deteriorated interethnic relations and weakened democratic credentials. When the Commission declared that Macedonia was ready to begin accession talks (in 2009), Greece vetoed the decision as a result of the unresolved name dispute. The veto policy of Athens[2] has further hindered domestic reforms, while weakening the EU leverage in Macedonia and reinforcing the trend of supremacy of the past over the future.[3]

The populist leaders in Skopje and those responsible in Athens decided to profit from the dispute, rather than to engage in solving it. The ruling elite in Macedonia turned the dispute into a political "umbrella" which shields it from the people and their expectations and serves as a continual excuse for failed promises, increasing corruption and tremendous discontent. This chapter will focus on the main challenges for the Macedonian accession to the European Union and the potential for "lessons learned" from previous enlargement rounds.

EU CONDITIONALITY IN MACEDONIA:

Plus ça change, plus c'est la même chose?

For the countries of central Europe, the end of the Cold Was heralded a time of great optimism. They aspired to a "Return to Europe"[4] and declared that the EU had a "moral obligation for its unification".[5] The EU responded with a comprehensive enlargement policy that entailed several sets of criteria, free trade agreements and substantial financial support. It has been argued that "the way that conditionality has been 'delivered' through the pre-accession process, has worked remarkably well – not always in absolute terms but certainly in comparison to other democracy-promotion efforts attempted by international actors".[6]

The "carrot and stick" paradigm went beyond merely encouraging the acceding countries to implement the *acquis*: the EU criticised domestic political processes and outcomes, as well as foreign policy choices; it expressed strong preferences for particular changes and insisted on settling some of the disputes between the acceding countries. In this respect, nothing has changed: EU conditionality is "alive and kicking" in both Macedonia and the Western Balkans. The Copenhagen criteria remained relevant, with similar instruments at its disposal and a monitoring mechanism adopting the same format and rationale. Even when the enlargement policy became haunted by the so called "absorption capacity", it is important to note that this was hardly a new concern for the Union: the decisions in Copenhagen already referred to the "capacity to absorb new members without endangering the momentum of European integration".[7]

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The enlargement rationale did not change significantly, but the context did. The political will to push forward with enlargement as one of its priorities, and bear the costs for it, no longer exists. At least three reasons have contributed to this change: (1) the economic stagnation in some EU countries; (2) the feeling that the "European unification project" was accomplished by integrating CEECs, while the

attitude towards the Balkans (due to its history of war, violence and divisions is contentious; and (3) the influence of the "Turkish question" (in all of its complexity: history, geography, religion, democracy, immigration, size) on the enlargement process. Due to these changes, the "burden of proof" lies almost entirely with the candidate and accession countries. Conditions have remained the same, but the "teacher" has become stricter and less rewarding.

In practical terms, while criteria remained the same,[8] the accession process has become more demanding. The issue of judicial and anti-corruption reforms strongly proves that point: during Eastern enlargement, this conditionality was part of the negotiations on Chapter 24 (Justice and Home Affairs), while for Macedonia, they were part of the political criteria to be met prior to accession negotiations.[9] Furthermore, the criteria are now coupled with sets of benchmarks and implementation indicators. Thus, promises – even the most credible ones – are not enough: the acceding countries will have to come with a record of implementation, rather than a mere plan. Moreover, they will have to deliver this despite being supported by a more modest financial package.[10]

This change reflected a more serious change of heart among European political elites and public who became increasingly tired of the enlargement process and became concerned about its costs and some of the consequences.[11] *Enlargement fatigue* is an element that plays a major role in the WB enlargement decisions.

MK@EU CHALLENGES

For the most part, the European Union has used conditionality with regard to Macedonia in a relatively comprehensive way, resulting in a more consolidated democracy, with improvements in the rule of law and especially regarding inter-ethnic relations and minority rights. This has been seriously undermined by its failure to unravel the accession stalemate created by the Greek veto. The present situation is both inexplicable and dangerous in the sense that it undermines the meritocratic accession process and EU leverage for demanding substantial and sustainable reforms.

This was probably the motivation behind the European Commission's new initiative i.e. the High-Level Accession Dialogue (HLAD) with Macedonian authorities, focusing on key areas of concern: media and freedom of expression; judicial and administrative reforms; fighting corruption, improved interethnic dialogue and electoral reforms. The Eastern enlargement experiences show that "it was the beginning of the serious pre-accession process, and not the mere promise of eventual membership that helped the countries emerge from the tumultuous 90s behind the goal of joining the EU".[12] Macedonia has already been in "accession

limbo" for seven years and the Commission became worried that it might lose its sense of European direction. The new process will focus on the most sensitive shortcomings observed in Macedonia, while ensuring constant and focused dialogue on amending them.

These are the most serious challenges for this amended accession process:

1. *Fatigue* comes in pairs: enlargement *fatigue* in European capitals reinforces accession *fatigue* in Macedonia (as well as in the region). And vice versa. The Greek veto and the perceived European compliance with it have produced an excellent excuse for weakened domestic reform zeal. Why go through painful reforms, when the ultimate price of membership is unattainable and fully dependent on the Greek whims? This is the dominant position taken in the public domain, strongly supported by the political leadership, "patriotic" media and opinion-makers. Moreover, the insufficient reform record of Macedonia only corroborates the EU sceptics who are anxious about the possible accession of weak states with unresolved disputes and high unemployment. This is reinforced by the declining importance attached to enlargement and the Balkans, as well as the view that Macedonia's problems are now easily containable and cannot initiate regional volatility. This is misleading and creates a false sense of security. Both sides (EU and Macedonia) can get used to the present status quo and disregard the possible consequences.

2. Less optimism translates into increasing frustration. And that spells even further degrees of populism. All polls point in that direction: according to the Gallup Balkan Monitor 2010, the citizens of Macedonia are the least satisfied with their life when compared to that of their neighbours. And this trend is increasing. [13] Similarly, the support for EU membership in the same poll has dropped from 76 to 60%.

3. The delayed accession process has already taken its toll on interethnic relations in Macedonia, where the EU has invested considerably. Macedonia's Ohrid Framework Agreement was rightly considered the success story of the EU CFSP. The coalition government has survived several political crises (such as the Encyclopedia and the Kale episodes), but the ethnic gaps in the society are widening. For example, just as ethnic Macedonians have started to increase their trust in the Ohrid Agreement (from 31% in 2008 to 43% in 2010), ethnic Albanians display a considerable drop (from 74% to 51%). Regrettably, even the HLAD avoids tackling issues of inclusion and non-discrimination: the long overdue Strategy for Integrated Education is neither on the Government agenda, nor on the Roadmap for the HLAD.



4. Recent developments in the media, selective justice and unprecedented partisan influences in the administration and the judiciary – will all pose a seriously test for the HLAD. Elements of democratic façade and autocratic substance are becoming more visible: the closing down of critical media, politically motivated court cases, impunity for supporters, complete control over the judicial system and a blurred line between the state and the party. This year's HLAD roadmap deals with these issues in a rather technical and bureaucratic manner. It would be naïve to expect that these problems can be resolved without the necessary political will or pressure. Conditionality, in this respect, should become more specific about deadlines and benchmarks to measure progress, rather than the never-ending production of new legislation.

5. The name dispute and its negative effect on Macedonia's EU accession cannot remain unnoticed by the European Union. The UN mediation process will not be hampered by a more active approach by the EU. On the contrary, the EU has to get involved in this problem between its member state and its candidate country, not least as this issue is undermining its regional weight and leverage. One of the ways of doing so is by designing new instruments for solving bilateral disputes amicably or through arbitration.

The aforementioned “stabilization and democracy-promotion program” continues to offer a significant opportunity for both acceding and member states, while the conditionality policy remains the strongest instrument for transforming the EU’s neighborhood. Therefore, bearing in mind the forthcoming challenges in the Balkans and maybe further East, the European Union should uphold to the best foreign policy instrument at her disposal. In doing this, the EU should ensure that the financial resources should be appropriate and sustained. The European Union should not undermine its enlargement policy by reducing the scope and the amount of available financial support. The costs of previous enlargements are indicative, but so are their benefits.

Let us return to the notion that everything is relative: Google Maps calculates that the distance from Skopje to Brussels is 1630 km. But what does this really mean? Does it take us 3 hours by a direct flight or 6 hours via Vienna or Zagreb? Or 20 hours by car? Or 2 days by train? Or…? Similar concerns emerge when asked when Macedonia could join the European Union: the answer depends not on the distance embarked upon, but on the speed that we can sustain: the political choices we make, the instruments we use and the strength of our convictions. Let us only hope that the renowned “moving target” will not move in the other direction.

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2. In 2008, Greece also vetoed the NATO membership invitation for Macedonia. At the end of 2011, the International Court of Justice declared that Greece, by doing so, has breached its obligation from the Interim Accord of 13 September 1995.

3. Estimates state that the Macedonian Government has spent more than 300 million Euro on the controversial project "*Skopje 2014*", which enabled building monuments and statues in the name of its "*glorious history*", while the country is facing unemployment of more than 30% and record poverty.

4. Speech by Vaclav Havel, the President of the Czech Republic, A meeting of Leaders of Three Neighboring countries, Bratislava 1990.

5. Speech by Vaclav Havel, the President of the Czech Republic.

6. Milada Anna Vachudova, Historical Institutionalism and the EU's Eastward Enlargement, 2005.

7. European Council in Copenhagen, Conclusions of the Presidency, June 1993.

8. Aside from the requirements of the acquis.

9. Compare the Opinion of the Commission on the application for EU membership of Macedonia and the Opinion of the Commission on the application for EU membership of Romania.

10. According to the Financial perspective 2007-2013, the Western Balkan countries can count on, in total: from 426 million euro (in 2007) to 664 million (in 2013), while the equivalent from the pre-accession aid for CEE in 2000 would be 960 million euro.

11. Based on Eurobarometar surveys.

12. European Stability Initiative, Breaking out of the Balkan Ghetto: Why IPA should be changed, 2005.

13. Satisfaction is dropping from 4.5% in 2006 to 4.2% in 2010 in Macedonia, while growing from 5.2% to 5.5% in Montenegro and from 4.6% to 5.3% in Albania.



Turkey on its Own?

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INTRODUCTION

Accession negotiations between Turkey and the EU began in 2005. Nevertheless, these negotiations have yet to gather momentum and Turkey's progress towards membership has been very slow. The fact that Turkey and Croatia started accession negotiations at the same time illustrates the different fortunes of the two candidates.

Moreover, mutual accusations between the EU and Turkey on neglect and a lack of commitment to agreed policies cloud this important relationship and leaves both sides worse off. In today's fast-changing global environment and amidst a severe economic crisis, the significance of Turkey for the European Union extends to the economic as well as to the geopolitical field. At the same time, Europe's stability and prosperity provides a safe point of reference for Turkish policy-makers as they strive to fulfil their aspiration of making Turkey a regional power with a say in global affairs.

This chapter builds on the argument above to suggest that the zero-sum game which currently characterizes many analyses on EU-Turkey is misguided. Instead, a win-win approach can and ought to be reintegrated into this debate, leading to Turkey's full accession to the EU. After all, it is this win-win mentality that fostered the impressive growth in EU-Turkey relations since the end of the 1990s and allowed Ankara to start accession negotiations. The Commission's "Positive Agenda" speaks to the need of a new approach in this relationship, and could be the foundation upon which the two sides could build.

I discuss these arguments below with reference to the politics of conditionality and the political behaviour of candidate countries. I argue that, far from being an exception to the enlargement rule, Turkey has demonstrated the type of policy behaviour that is expected of a candidate country, given the circumstances it encountered.

ENLARGEMENT, EUROPEANIZATION AND CANDIDATE COUNTRIES: AN ANALYTICAL FRAMEWORK

Originally, the concept of Europeanization was discussed solely with reference to member states. Yet, over time, the literature expanded to candidate countries too. This is with good reason, since the politics of conditionality may or may not produce results aligned with "Europeanized" behaviour. For the purposes of this chapter, I use the term Europeanization to denote:

Processes of a) construction, b) diffusion and c) institutionalization of formal and informal rules, procedures, policy paradigms, styles 'ways of doing things' and shared beliefs and norms which are first defined and consolidated in the making of EU decisions and then incorporated in the logic of domestic discourse, identities, political structures and public policies (Radaelli, 2000: 4).

This definition captures the richness of the transformation associated with Europeanization, though it has been demonstrated time and time again that Europeanization is not a natural state of affairs to which countries arrive. In fact, the degree and extent of Europeanization varies markedly between states.

Europeanization in candidate countries can denote different things, and it is useful to draw a few analytical distinctions: For instance, it can revolve around the pressure exerted by Brussels on candidates to assume the formal/legal *acquis* communautaire and implement it in their national legal and administrative structures. This is the type of mechanism that we usually associate with the progress achieved by a candidate on its way to accession. Moreover, Europeanization can denote the pressure by the EU on the candidate country to internalize its normative codes and those types of behaviour deemed 'appropriate'. This puts further pressure on the candidate, much less direct in nature, but not necessarily less powerful than the first (Bache and Jordan, 2006: 32; Bulmer and Radaelli, 2004: 2).

The enlargement literature has, in recent years, made great progress in distinguishing between the way in which Europeanization affects state behaviour, practices and policy on the one hand and, on the other, how EU conditionality leads to the adoption (or non-adoption) of EU rules by aspiring members (Schimmelfennig and Sedelmeier, 2008). It goes without saying that this is a complicated picture linked to individual states' experiences and political/institutional traditions, which affects the way it perceives politics at the present time. Yet there are a few overall conclusions to which this literature points, and which are particularly relevant for Turkey: They come to disprove the thesis of Turkey as a *sui generis* case in enlargement and thus assist us in the process of normalizing the debate surrounding Ankara's accession bid.

INCOMPLETE TRANSFORMATION AND THE CREDIBILITY OF ENLARGEMENT TO TURKEY

First, Europeanization understood as change in domestic politics and resulting from the punishment-reward practices of the EU in the conditionality context is much more likely to occur for candidate states compared to countries the EU is merely associated with (Heritier 2005). Turkey is a typical example of this argument's validity. Associated with the EEC and later the EU since the 1960s, the country had long struggled to reform its political and economic structures towards EU norms. Progress during some years met with backward steps at others, and political instability played a major role in keeping Turkey at arm's length during the Cold War era. The acceptance of Turkey by the 1999 Helsinki Summit as a country eligible to join the EU, when ready, led to a rapid and impressive acceleration of political and economic reform, the fairly persistent continuation of which goes a long way towards explaining the Turkish boom of recent years. Conditionality became immediately relevant to Turkey's domestic politics, and policy-makers received a clear signal to reform in expectation of a future opening of negotiations that would then lead to membership.

Secondly, the literature suggests that the degree of candidate countries' compliance with EU rules and practice is, to a large extent, correlated to the extent to which the EU itself views a particularly policy area as significant. This is an important argument, considering that the literature has for a long time pointed to the heavy influence of veto players (Tsebelis 2002) and the domestic costs involved in reforming politics. It is also easy to see the extent to which this is verified in the Turkish case.

Even before the launch of formal accession negotiations, a few issues assumed top priority for the EU with regards to Turkey's need for change. Civil-military relations, judiciary reform and enhanced democratization, especially regarding minorities, have topped the Union's priority list. Indeed, Turkey has advanced on all fronts throughout the last decade, though its reform process is far from complete. Civil-military relations today have moved very rapidly from "demilitarization" (Duman and Tsarouhas 2006) to a mode of functioning that increasingly resembles that of west European democracies, in which civilian authorities decide independently on all major internal and external policy matters (Sarigil 2007). The judicial system of Turkey has undergone structural reform which the Union views, on the whole, to be progressive and positive. However, concerns have been raised, especially within Turkey, about aspects of the reform process which may enhance the state's leverage over the judiciary in the long run. Finally, recent legislative and political initiatives by the Turkish authorities point to their willingness to broaden the political debate in Turkey regarding minority rights, and offer minorities additional rights to exercise their social, cultural and religious practices more freely.

One should emphasize here that the reverse has also proven to be true, namely that those policy areas seen as less significant have not moved up the Turkish agenda and remain stagnant. A typical example is social policy: the relevant chapter is not subject to vetoes or objections by one or more Council member, yet it has yet to be opened as Turkey does not fulfil the opening benchmark requirements, in particular with respect to full trade union rights. In this policy area, the EU has functioned more as a "legitimization device" (Tsarouhas 2012) for policy activism in line with national priorities and only secondarily as a result of EU pressure. Moreover, such pressure was always quite unlikely considering the limited formal competences of the EU in this policy field and the mixed record of success that "soft" cooperation methods, such as the Open Method of Coordination (OMC) have brought about.

Finally and perhaps more importantly, the literature points out that EU rule adoption by candidates is heavily (and positively) correlated to the credibility of the commitment made by the Union to accept the candidate at some point in the future. Failure to demonstrate such a commitment reduces the incentives for change on the part of the candidate country. Again, Turkey testifies to the validity of the argument. The process of political and economic reform reached its peak during the 1999-2005, at which time a series of constitutional amendments and legal changes introduced a more pluralist political environment and strengthened the country's institutional capacity. The abolition of the death penalty and the granting of property rights to minority foundations were apt examples of transformative changes during that period (Ulusoy 2009).

This is not to say that reforms ceased after that time; in fact, the judicial reform mentioned above was launched only recently. However, after 2005 - and as the credibility of the Union's commitment to Turkey's full membership appeared to wane - the set of incentives offered to Ankara to continue changing at the same pace was reduced. In that context, continued compliance with EU rules and prescriptions did not offer the same value as it did prior to 2005, and Turkish policy-makers understood that the attractiveness of the EU to their electorate and public opinion as a whole could easily start to decline. This is indeed what has happened, and politicians soon joined the chorus of criticism directed against the EU in a way that neglected the massive benefits accrued to Turkey by the accession process; the continued smooth cooperation with at least some of its institutions (such as the Commission); and the importance of the EU anchor for Turkish economic dynamism in recent years.

As a result of growing disenchantment, it has been argued that the EU and Turkey have, in fact, started to diverge in certain policy areas. Foreign policy, it has been said, is a glaring example, since Turkey has in recent years invested in strengthening its political presence in the Ottoman-era sphere of its influence (Akçakoca 2009). Such a strategy ran in contrast to the traditional Turkish foreign policy approach during the Cold War, when US-Soviet rivalry necessitated the firm commitment of Ankara to the western alliance and the resulting neglect of its broader neighbourhood in terms of its policy priorities.

This argument is, however, exaggerated, because Turkey's change in stance is less a denial of EU policy priorities and much more an adoption of a multilateral perspective, which makes it eager to take part in regional and global affairs by exercising all of its influence, primarily through soft means. Making use of cultural common points and similar outlooks with its neighbours is thus part of a broader approach that sees no inherent contradiction between this tactic and the country's commitment to its partnership with the EU and the US. In fact, Turkey's policy stance on the Syria question and its continued close cooperation with the US, following a period of tension, confirms this thesis. In addition, Turkey can embody an effective means of communication with countries such as Iran for the EU as well as the US, and such communication is vital to resolve differences in a peaceful manner.

However, Turkey's assertive new foreign policy does have consequences which could lead to long-term deviation from EU-type policies and practices. If Turkey differentiates itself too much from EU policy this could play into the hands of its opponents for EU membership, by forcing it to a defensive position. This danger is real, though not very significant at this moment. Instead, Brussels and Ankara can opt for more synergies and less points of conflict in order to highlight the added value that Turkey brings to the Union's ambitions to exercise a stronger role in foreign affairs. The latter scenario is more likely to occur, considering efforts by both sides to open up more channels of communication in foreign policy and exchange views for the purpose of mutual benefit.

CONCLUSION

The challenge of enlargement to Turkey cuts both ways. It confronts Turkey with the challenge of deepening, strengthening and reinforcing its reform process for years to come, going beyond what has already been achieved and consolidating a new relationship between the state and civil society. Enlargement requires Turkey to maintain a momentum that has been lost in recent years and to persist with transformative change in an uncertain political context.This is

not an easy task, yet it is necessary primarily for its own people and much less so in terms of EU accession. Moreover, gains made in democratization are not irreversible. The recent debate on freedom of speech and the media in Turkey and the criticism exerted on Ankara for its handling of prominent cases related to this issue clearly highlight that progress on civil freedoms and liberties is never won. It needs to be negotiated and achieved step by step. The EU contribution to Turkey's democratic progress is undisputed, and remains the best argument in favour of the need for continuous engagement between the two sides.

The challenge is equally significant for the European Union. It is futile to assert that this would be an enlargement like every other. From a purely demographic point of view and the associated institutional repercussions this entails, its magnitude is likely to affect the internal balance of power in the EU, considering the foreign policy clout that Turkey would introduce, and its likely political preferences, at least initially, for an intergovernmentalist mode of decision-making over supranationalist politics. Nevertheless, a "multi-speed" Europe has existed for some time now, not least with regard to eurozone membership and the Schengen area. Moreover, a Turkey inside the EU club would be a country a lot more amenable to EU influence than outside it, even if it would be an "awkward European" with policy preferences not always in line with core EU member states (Redmond 2007).

Considering the current negative atmosphere in EU-Turkey relations, the Commission's "Positive Agenda", aimed at enhancing bilateral dialogue and cooperation on concrete issues, is indeed a positive step forward. The Agenda does not replace accession negotiations yet it helps sustain the reform process by delivering benefits in areas of mutual benefit such as the fight against terrorism, visa facilitation and the Customs Union. It is a necessary initiative at a sensitive time, and it can help go some way towards reinvigorating a troubled but important relationship.

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Enlarging Beyond the Western Balkans

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INTRODUCTION

There are two ways to think about EU enlargement, its present state and possible future. The concept stands for both a policy toolkit and a broader political vision. The paradox of today is that the two meanings of enlargement are growing apart. The policy is thriving, but the long-term political vision appears to be failing. In my contribution, I shall focus primarily on the latter: on the future of enlargement beyond Iceland (and other European Economic Area states, such as Switzerland, Norway or Lichtenstein) and the Western Balkans. My central argument is that insofar as the "future" is almost never an extension of the present, it permits cautious optimism but demands open-mindedness and strategic foresight. Furthermore, I am convinced that any future enlargement – whether it concerns Turkey or the EU's Eastern partners – must be driven by a reinvented "metanarrative" that builds on but transcends the ethos of Copenhagen.

THE PARADOXICAL STATE OF EU ENLARGEMENT

The Policy: In Sound Shape

From an institutional perspective, enlargement denotes the assemblage of accession criteria, conditionality, benchmarking methodologies, pre-accession assistance, and other policy tools. As an institutionalised policy, enlargement has proved to be an extraordinarily – by historical comparison – potent vehicle of societal transformation. It remains one of the most successful EU policies ever.

The policy itself is in sound shape. Despite the economic crisis and outside of the media hype, the enlargement process has been gaining momentum. In July 2013, Croatia is set to accede; Iceland, whose accession talks are proceeding smoothly, is likely to follow suit. Montenegro commenced accession negotiations in July 2012, and Serbia has upgraded to candidacy status in February 2012 on the heels of a historic and EU-sponsored agreement with Kosovo on regional representation. The political crisis in Albania is ebbing, raising hopes for Tirana to receive candidacy status at some point in the not too distant future.

Of course, major challenges still loom ahead in the Western Balkans. Full normalisation of relations between Serbia and Kosovo will require painstaking diplomacy and patience. The complex and fragile constitutional framework of Bosnia and Herzegovina remains prone to paralysis. The Former Yugoslav Republic of Macedonia (FYROM) name issue continues to frustrate the country's integration efforts. As a whole, the region suffers from acute economic and social problems that, if not tackled, may yet awaken the demons of ethnic hatred and throw off years of political progress.

Enlargement nonetheless faces good prospects. True, save for the exception of Iceland, every successive accession process will be more protracted and more arduous. But it will also be managed more rigorously and more efficiently as the EU learns from past mistakes and adjusts its policy design to match the new candidates' idiosyncrasies. Conditionality will become more subtle, as suggests the Commission's recent decision to frontload chapters 23 and 24, just as pre-accession assistance will become more targeted under the Instrument for Pre-Accession Assistance II (IPA). Seemingly insurmountable roadblocks will be tackled by creative solutions, as in the case of the recently launched High Level Dialogue with Skopje. Regional cooperation will grow in importance to rectify the fragmentation of the Western Balkan political space. All things considered, this capacity for adaptation and innovation inspires my full confidence in the EU's enlargement policy.

The Political Vision: Uncertain and Contested

Enlargement, however, is more than just a policy. It is more than a set of institutions and instruments; and it is certainly more than a bureaucratic exercise in approximation to EU standards. Viewed through a discursive lens, enlargement represents a particular political vision: of an inclusive, outward-looking and open Union, engaged in a civilisation pursuit of a united, prosperous and peaceful Europe.

This political vision of enlargement, as spelled out in Article 49 of the Lisbon treaty, is intrinsic to EU's history and identity. In fact, there were few periods since 1952 when the Community was not in the business of enlarging. The EU's instinctive inclination to project its norms and institutions beyond its existent borders – thus expanding the zone of peace, prosperity and democracy – is ingrained in the Union's political DNA, in the same way that the free movement of people, goods, capital and services are central to the idea of the single market. The ideal of an "ever-wider" Union always complemented its "ever-closer" counterpart.
Today, paradoxically, even as the enlargement policy flourishes, the concept of its organisation is uncertain and contested. The present condition is frequently attributed to, and conceptualised as, the so-called "*enlargement fatigue*". The term is as overused as it is imprecise, for it conflates several analytically distinct explanations. The obvious one is the dearth of popular support, manifested most vividly in the French and Dutch referenda of 2005. Voters tend to be concerned over the enlargement's redistributive consequences on jobs, investments and income, echoing, to some extent, the anxiety of being at the receiving end of globalisation. This economic logic ought to be distinguished from other factors sustaining "*enlargement fatigue*", such as persistent problems of corruption and rule of law in some post-communist new members, culminating in the deterioration of democratic standards in Hungary and elsewhere, and calling into question the post-accession sustainability of progress achieved under pre-accession conditionality. Disillusionment with the democratic performance of some new entrants, should, in turn, be analytically divorced from the "absorption capacity" argument, especially as the latter tends to spill over to cultural discourse about the demarcation of Europe's borders and appeals to consolidate "fortress Europe".

Another explanation still, of "*enlargement fatigue*" – simple yet perhaps the most persuasive – is that the most suitable and "easy-to-absorb" candidates (the metaphorical "low-hanging fruit") are already in or on their way into the EU. If one looks beyond Iceland and the Western Balkans, the picture outlined in all conceivable future members or candidates, such as Turkey or the Eastern partners, is of an entirely different order of complexity. Even countries notionally easy to absorb, such as Moldova, are, by now, saddled with two decades of post-Soviet institutional stagnation, frozen conflicts and Russian influence.

Against such a background, what does the future hold for enlargement as a political vision? The short answer is: more than meets the eye.

DECONSTRUCTING FUTURE(S)

It is now a Brussels truism that ten years after another Copenhagen summit the Union is entering a post-enlargement era. The policy will carry on and progress – set, so to speak, on an (very sophisticated) autopilot – but its constitutive vision will gradually fade. Enlargement will turn into a "normal" EU policy: no longer animating any grand debates; no longer guided by any "metanarrative" related to the reunification of an artificially divided Europe; and devoid of the sense of purpose it had inspired ahead of the 2002 Copenhagen summit. To put it in blunt geographical terms, the argument predicts that enlargement will wind down after Iceland and the Western Balkans become member states.

Let me question this prognosis, for it is overly static and deterministic seeking to forecast future patterns by extrapolating from present ones. True, at the moment, prospects for enlargement beyond Iceland and the Western Balkans – and, let us be frank, the two countries that should concentrate our minds are Turkey, a candidate country, and Ukraine, a key Eastern Partnership member – are not bright. Analytically speaking, however, current realities have a habit of yielding limited and biased innuendos about the future. Who would have imagined in 1992 that my country, Czech Republic, or the three Baltic states, would be invited to join the EU a mere ten years on? Come to think of it, neither the Czech Republic nor the European Union formally existed in 1992. The Baltic – "Soviet" – republics still had the Red Army units stationed on their territory in 1992.

The broader point is that the future evolves in a non-continuous and open-ended fashion, shaped by our actions but also structural forces and events beyond our control. Let's not forget that it was a singular and unpredictable event – 9/11 – that nudged NATO toward a robust enlargement at the 2002 Prague summit. The political, economic and strategic frameworks that will define the scope and depth of future EU enlargement are likely to change in ways we cannot yet imagine.

The uncertainty is amplified by the unprecedented fluidity in global affairs. As relative economic and political power shifts from the West to rising powers in Asia and elsewhere, and from states to non-state entities, the future global order – or lack thereof – remains unknown. But the transition is certain to have profound implications on the EU and, by extension, on enlargement.

I shall now sketch out two analytically distinct but intertwined sets of causal factors whose interaction will shape the future of enlargement as a political vision that reaches beyond the Western Balkans. Afterwards, I shall spell out what this means for progressive and other pro-enlargement political forces in Europe.

Post-Crisis Europe

At the risk of stating the obvious, it must be emphasised that the single most consequential factor of the future of enlargement is the future of the EU itself. A lot depends on how battered, or strengthened, the EU emerges out of the present crisis.

If the EU comes out more politically cohesive, with restored competitiveness and growth, its renewed confidence is likely to translate into a more active and open international positioning, and, consequently, into more appetite for enlargement. Likewise, successful acquittal from the present crisis will reinforce the EU's "soft power", rendering it more attractive in the eyes of prospective candidates.

But if the crisis triggers disintegrative tendencies – and that remains a distinct possibility, given the persistent failure of the austerity-centered model – and if EU's internal solidarity and cohesion were to fracture, enlargement will suffer. Should the negative scenario unfold, we can expect continued success of far-right and nationalist parties, a trend that would not bode well for an open-minded and inclusive vision of enlargement, or, for that matter, for any forward-looking external policy. And frankly, a conflicting dysfunctional and low-growth EU will dampen any enthusiasm of prospective candidates to join.

In sum, precisely because the enlargement "gene" is so deeply ingrained in the EU's political DNA, a reconfiguration of the latter is bound to affect the standing of the former. The question is, how exactly. Some may argue that a more tightly integrated post-crisis EU would, in fact, diminish the prospect of further enlargement; on the contrary, some may argue that a looser, multispeed or "variable geometry" Union will be easier to enlarge since templates would emerge for looser forms of association. To some extent, such a mechanical – indeed, physics-like – argument might work in practical and even institutional terms. However, the lessons of the 2004 enlargement suggest the contrary: there is no inherent contradiction or tension between the logics of deepening and widening. The greatest leap toward integration took place amidst the boldest enlargement process ever and, it needs to be added, the present crisis is by no means an upshot of the 2004 enlargement. This is because closer integration and openness to further enlargement have been powered by the same intellectual and regulating engine – the ideals of post-sovereignty, peace, solidarity and inclusiveness.

The Neighbourhood

Let me now turn to the most difficult factors bearing on the future of enlargement: the political and socio-economic currents in our neighbourhood, structural patterns as well as "black swan" events related to the Arab spring or coloured revolutions. In truth, they lie beyond the EU's immediate control. In a self-evident but frequently overlooked difference, EU's presence in the domestic politics and policy-making of its current neighbours is far less "transformative" than in Central and Eastern Europe a decade ago. In some Eastern Partnership countries and even in Turkey, European integration is not the only "game in town". To be sure, the combined effect of EU policies – promotion of democratic values and stable institutions, market access in exchange for regulatory convergence, investments in infrastructure projects, sustainable energy and regional development, or constructive diplomacy in frozen conflicts, and many others – will weight significantly on long-term outcomes in the neighbourhood, but only as an intervening variable.

Nonetheless, even as local and regional structures remain paramount, EU policy responses will matter, and, as such, they can either enhance or damage the prospects of future enlargement. The EU's strategic puzzle can be framed as follows. In the foreseeable future, neither Turkey nor any of the Eastern partnership states are likely to receive a definitive and credible offer of full membership. Until then, their relations with the EU will be clouded by ambiguity concerning the "endpoint". A lot, therefore, hinges on the EU's aptitude in managing this ambiguity.

For enlargement to remain a viable option in the future, the EU must remain engaged, present, positive and perpetually expanding – subject to conditionality – the extent of political cooperation, sectoral integration, market access and people-to-people contacts. The incentive structure must be fully responsive to local developments; in this respect, the "more for more" principle in the European Neighbourhood Policy (ENP) is a step in the right direction. The EU must act inventively to sustain momentum in the event of a political stalemate: the "positive agenda" with Turkey is an instructive case of such resourcefulness. In institutional terms, the EU must keep the ENP framework as flexible as possible, allowing for real differentiation between individual partners based on their ambitions and reform progress. To reward best performers, the EU might even consider blurring the conceptual and institutional divide between neighborhood and enlargement policies. And, in the meantime, it must juggle the various moving parts of regional geopolitics – most notably, relations with Russia – to have the stage set should it decide to press ahead with enlargement at some point in the future.

Ultimately, not even the smartest of policy mixes thought up by the EU could produce – or be a substitute for – genuine domestic change, itself a precondition of candidacy and accession. However, if not shrewd and foresighted, the EU's policy in the interim period could create problems that may come back to haunt it.

Given the unpredictability of the future, the risk is that contemporary choices may constrain our options further down the line – even after and despite shifts in the context that had brought about our initial choices. Such decisions may acquire path-dependent properties which in turn may block possible "futures". Minimizing them is, of course, the essence of strategic thinking. Unfortunately, some recent decisions – such as the refusal of some EU members to sign the Association Agreement and the Deep and Comprehensive Free Trade Area (DCFTA) with Kiev in the wake of the Yulia Tymoshenko trial or the blockage of accession negotiations with Ankara over Cyprus and other issues – can be seen as lacking in strategic quality. They underscore the risks of the EU "losing" either country just to make a point.

This is not to say that consequences of such choices are inevitably irreversible. Yet their cumulative effect might be: if "ambiguity" over the final destination remains too ambiguous for too long, if partner countries feel trapped inside a rigid institutional framework without a prospect of surpassing it, if disinterest or overly harsh criticism from Brussels turns incumbent elites away from Europe, or if persistent barriers to trade and people-to-people contacts drives down popular support for European integration – then the EU may find itself in a situation whereby enlargement effectively ceases to be a possible "future". The delicate balancing act of keeping the door "half-open-half-closed" requires use to constantly maintain it. Otherwise, the door may slowly – inadvertently – shut down without us noticing.

RECOMMENDATIONS FOR PROGRESSIVE POLITICAL FORCES

The above discussion yields several recommendations to social democrats and progressives, as well as other political forces supportive of enlargement.

On the practical level, it is imperative that we deepen and widen our outreach to actors in the Western Balkans, Turkey and Eastern neighbourhood, but above all to our partner organisations. This includes political consultations as well as links to civil society. For instance, the S&D Group in the European Parliament recently re-launched the Willy Brandt Programme, broadening its scope to cover the Western Balkans as well as the Eastern Neighbourhood. These and other formats of engagement should be geared toward education and consensus-building around the goal of EU integration, whilst also nourishing the input and demands of our partners back into the EU policy-making process.

On the level of political action, social democrats and progressives must ensure that enlargement – as a political vision – stays on the agenda as a viable long-term option. Our task is to push the limits of what is politically possible under the current frameworks, and avert shortsighted actions that may narrow EU's future choices and inflict irreversible damage to the cause of enlargement.
Internally, it entails approaching "*enlargement fatigue*" as a collection of separate problems, not a single overwhelming phenomenon. It also means insisting that deeper political integration and enlargement are not contradictory, and that the pursuit of one cannot be an excuse for giving up on the other. It also requires resisting calls – often culturally charged – to pin down the final "borders" of Europe, insisting rather that such borders are inherently fluid and political, a function of countries' commitment to European values.
Externally, it involves continued affirmation of the European perspective for Turkey and the Eastern partners, regardless of short-term political controversies or deficiencies in institutions and policies. We must raise concerns whenever European values are violated by political practice, yet never lose sight of the bigger strategic picture, always weighting the merit of criticism and disciplinary measures against the risk of a backlash and stalemate in the integration process. Ours should remain a positive and forward-looking message, underpinned by a commitment to societies and countries, rather than politicians and policies.

Finally, on the conceptual level, it is clear that future enlargement will require some form of digressive repackaging, or at least a dose of new energy and imagination, in order to reinvent its underlying political vision. The "metanarrative" of the Copenhagen Summit – the historic "un-division" of Europe – will no longer suffice should Turkey or the Eastern partners come into the accession picture. The EU will have to contrive a new one. I am convinced the progressive forces are best equipped – politically and intellectually – to supply it.

What should be its parameters? To start with, enlargement beyond the Western Balkans can no longer be articulated in normative language alone. The spirit of peace and pan-European solidarity – the ideal of "Europe whole and free" – must be a part of it, as must meritocracy and strict conditionality. Yet moral arguments will ring hollow unless anchored in a sound interest-based logic, one that is comprehensible and compelling to EU citizens. The latter point is of paramount importance: the cost-benefit calculus of future enlargement must be clearly explained and understood by the EU public. If and when Turkey or the post-Soviet partners reach requisite levels of convergence with the EU, the benefits of bringing them in – economic, security, demographic, geostrategic or cultural – would reliably outweigh the costs of absorption. Once the gains become apparent and empirically verifiable, as I believe they will, we must

not shy away from speaking the "crude" language of strategic interests and benefits to EU citizens: not only will it be good politics; it will also be a good argument.

If and when full membership for Turkey (or Ukraine) appears on the table, it could no longer be framed as a mere extension of "unfinished business". Increasing EU's population by almost one fourth, expanding its size by almost one third, and stretching its borders to the Sea of Azov and the Iraqi border must surely qualify as "new business". The concept of "enlargement" itself may well prove too limited and understated to capture the qualitative leap in EU's evolution that such a move would entail – and reflect. It would transform the Union into a core Eurasian and Middle Eastern player. It would lend immense economic and military muscle to the EU's posture as a global power, enabling it to more forcefully promote a rule-based multilateral order, an enterprise whose success would be critical to the long-term security and prosperity of all EU citizens.

Such is the line of reasoning that, to my mind, ought to inform the future "metanarrative" of EU enlargement. Barring an unforeseen sequence of events that would simply thrust it upon us, constructing such a narrative may occupy an entire generation of progressive political leaders, diplomats and experts. The sooner we start, the better.



Respect for Minorities: Beyond the Copenhagen Criteria

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INTRODUCTION

The monitoring of the situation of ethnic and national minorities seemed to be given particular importance during the enlargement rounds of 2004 and 2007, given the special focus on improving the situation of such peoples. Previously, the European Commission's report on "Europe and the Challenge of Enlargement" of July 24 1992 did not yet make specific reference to the protection of minority rights. Therefore, its separate mention in the Copenhagen criteria could have also been interpreted as a sign of stronger political commitment in the development of a common European minority policy. The minority issue might not have been a political priority within the EU. Nevertheless, for well-known historical reasons, it was a relevant topic in the then candidate countries. The prospect of enlargement - especially when paired with the more value-based approach of the EU towards it - has created great expectancies of solving these challenges once and for all. Furthermore, the importance of settling ethnic tensions in a peaceful manner gained particular attention in light of the tragic consequences in the neighbouring Western Balkans.

Against this background, one would have thought that the minority issue would have become a separate priority of the enlargement agenda for countries in this region. When analyzing the relevant documents, it is clear that respect for and protection of minorities come up in several contexts. These range from the necessity of reconciliation to the social inclusion of vulnerable groups. However, the issue is not mentioned independently as a main challenge for the region.

What role does the minority issue play in the current enlargement process and how is it perceived? One of the aims of the Copenhagen revisited research programme was to gather more information on this topic. This chapter therefore considers the main features which characterised the various discussions in the framework of the research programme.

A NON-POLICY

When discussing the situation of minorities in (potential) candidate countries, one of the recurring issues was the discrepancy between the EU's democratic leverage before accession and its competencies after it. The rights and recognition of national minorities do not fall under the scope of EU, but belong solely to the competencies of member states. There are wide differences among member states in their interpretation of the meaning of the term "national minority". Consequently, their approach to such groups is also very diverse. This was referred to several times as an undermining factor for the credibility of the EU's position. However, this does not mean that the EU could not provide for strengthening the protection of national minorities.

With regards to primary law, the entry into force of the Lisbon Treaty has brought about some significant changes.[1] Article 2 of the Treaty on the European Union (TEU) is of special importance in this context. While listing the founding values of the Union, it does not simply refer to respect for human rights. Leaving no margin for debate, it confirms that respect for "persons belonging to minorities" forms an integral part of this notion. The Lisbon Treaty has also given the Charter of Fundamental Rights of the EU a legally binding character.[2] As a novelty in EU primary law, Article 21 of the Charter prohibits discrimination on the basis of *"membership to a national minority"*. However, Article 21 of the Charter, read in conjunction with Article 19 of the Treaty on the Functioning of the EU (TFEU), will somewhat diminish the reader's enthusiasm. Going beyond the mere prohibition of discrimination, it allows the EU to take action to combat discrimination. However, when assessing the list of grounds for discrimination which result in EU action, it will be quickly noted that "membership of a national minority" is missing.

As to secondary law, the Racial Equality Directive[3] could be of some relevance, implementing the principle of equal treatment irrespective of racial or ethnic origin within the specific scope laid down by Article 3.

The significance of these provisions should be noted, but again, it still means that the EU is some distance from a coherent policy on national minorities. To date, according to most opinions, such a policy can be considered non-existent. Therefore, the protections of minority rights within the Copenhagen criteria is mainly based on international instruments[4], even though the effectiveness of these instruments is often also called into question.
Nevertheless, it can be still argued that these instruments could become effective initiators of change if they are combined with the tangible promise of EU membership in the foreseeable future and subsequent strict monitoring.

As this did not happen to the extent which was originally expected, one should draw conclusions from the enlargement rounds in 2004 and 2007.

PROGRESS HAS BEEN MADE...

It is undeniable that – as the regular (progress) reports often stated – progress has been made in the then candidate countries of Central and Eastern Europe. This progress was the most remarkable in the field of establishing an anti-discrimination legislative and institutional framework. The EU was also instrumental in raising awareness about the situation of national minorities and contributed largely to launching dialogue among the different stakeholders.

One of the most problematic issues was that awareness-raising and dialogue about the topic did not directly lead to an effective solution. The legislative framework for anti-discrimination was also not enough. The effective protection – not to mention promotion - of national minorities would entail some further steps. Due to the diverging views on national minorities, the EU's guidance did not go beyond the suggestion of the ratification of the Framework Convention for the Protection of National Minorities. Even this criterion entailed some criticism. As several EU member states have not ratified the Framework Convention,[5] the EU was blamed for raising the barrier higher for candidate states.

The regular reports have differentiated between among national minorities in that they place a special focus on the situation of Roma, while usually referring to other groups in a general manner. It must be recognised that the Roma are the largest minority group in Europe and probably amongst the most discriminated against. But the Roma/other minorities groups division was considered problematic for several reasons. Most importantly, it created an environment for scapegoating, putting in opposition the long list of concerns regarding Roma people versus the others without question. This has, unfortunately, been widely used by nationalist groups, who have blamed the lengthy accession process on the Roma group.

The approach of the regular reports was also criticised by some. These reports were meant to encourage member states and keep them on the track with the Union, so they gave the impression of linear progression. Perhaps a somewhat naive optimism reigned over the process. In line with the (then implied) founding values of the EU, it was presumed that the political will for improving the rights of national minorities would also continue in voluntarily after the accession.

Unfortunately, this was not the case. Once these issues had become internal or bilateral affairs in the vigilant eyes of the EU, problems believed to be solved appeared again. For example, the Hungarian minority of Slovakia has already affected twice by growing tensions between Slovakia and Hungary. First, in 2009, when amendments to the Slovakian Language Law were voted to include issuing penalties up to 5000 euro for not using Slovak language when prescribed by the law. This was seen as directly targeting the Hungarian minority. Second, in May 2010, when, as an immediate response to the Hungarian decision to grant dual-citizenship to all "Hungarians abroad" (members of Hungarian minorities in mainly neighboring countries), the Slovakian government passed a law stating that if a Slovak citizen applies for another citizenship, he or she will lose the Slovak one. Both episodes failed to receive an official European Commission position, as the Commission was careful not to intervene in the domestic affairs of the member state. In 2009, Leonard Orban, European Commissioner for Multilingualism, merely stated that the Commission does not have legal powers in the sphere of languages, but it would analyse the implementation of the legislation.[6] Interestingly enough, the Slovak Language Law was deemed by a Latvian MEP, to be a "carbon copy of the Latvian Language law of 1995" dropped under pressure by the EU.[7] In 2010, after initial reluctance to get involved and assertions by the Commission that questions of nationality should be decided by member states, President Barroso simply "called on Viktor Orbán to discuss the measure with the Slovaks".[8] Matthew Newman, spokesman for Vivien Reding, European Commissioner for Justice, Fundamental Rights and Citizenship, stressed that countries have sovereign rights to decide on their citizenship rules, and the European Commission has no right to intervene.[9]

This is just one example of a situation where the discrepancy between the Copenhagen criteria and the EU's competencies after accession largely damages the credibility of the enlargement policy. In these circumstances, it is also understandable that, in order to avoid such situations, there is a call to apply stricter conditionality towards candidate countries. However, it leads to a further loss of credibility and (again) the belief of applying double standards if these measures do not go hand in hand with instruments ensuring better compliance with the protection of minority rights for EU member states. One can argue that the possibility of applying Article 7 exists in case of a clear risk of serious breach of the values of the Union. Nevertheless, this possibility – just like the issue of minority rights – is currently highly emotive and remains dependent on political will instead of a normative application.[10]

A SOCIO-ECONOMIC APPROACH

These considerations alone played a minimal role in the reshaping the enlargement process towards the Western Balkans and Turkey. Nevertheless, some significant steps have been made related to the respect for and protection of minorities.

Chapter 23 on the judiciary and fundamental rights received more importance in the process in order to ensure better compliance with the establishment of an independent judiciary and the fight against corruption. This explains the similarly increasing focus on Chapter 24 on justice, freedom and security. The introduction of opening, interim and closing benchmarks should also ensure more transparent procedures and avoid the accusation of applying different standards. Now included under Chapter 23, this recent development could also provide unique momentum for the EU to strengthening the protection of minorities in the region. This would also require more detailed specification, putting the benchmark of the adoption and implementation of national strategies on minorities into a clearer context.

As an additional consequence of the previous enlargement rounds, it has been stated several times that more emphasis will be put on the implementation of legislative measures and national strategies. The availability of sufficient financial and the human resources for implementation is also strictly monitored and mentioned more frequently in the reports.

The focal points of the progress reports concerning minorities further endorse the EU's approach towards the issue. Contrary to what some might expect in the run up of the previous enlargement round, instead of following a broader approach, the analysis of socio-economic issues prevails. Issues of cultural rights and political participation are addressed only briefly. An example of this trend is the 2011 progress report on Bosnia and Herzegovina. Although this region has been a main concern, the issue of the political representation of the 17 national minorities is merely addressed in a short paragraph, with a further reference to the chapter on Constitution. The main part of the report deals with access to housing, employment, education and health.

With regard to the unsettled constitutional issue in Bosnia and Herzegovina, it is also difficult to interpret the final conclusion of the section on minorities, stating that "(o)verall, the framework for the protection of minority rights is in place and minority rights are broadly respected".[11] Due to the formation of similar conclusions, it is still largely believed by civil society actors that the

EU does not fully assume its role in the protection of minority rights in the Western Balkans. This debate correlates well with the more general framework of the responsibility of the (potential) candidate states and the EU in achieving further progress. It seems that public opinion has a somewhat schizophrenic perspective in this respect. On one hand, the EU is viewed as a possible solution to the situation: it should put more pressure on countries or – according to some more vehement opinions – directly tell the countries involved what to do. This often leads communities blaming of the EU for not doing enough. On the other hand, concerning other issues, the EU is perceived as an intruder from the outside, imposing its legislation and supposedly destroying national identity. These simplistic arguments form an integral part of the complex and multifaceted challenge of nation and state building. Against this background, the European Commission's approach is welcome. It aims to explain the process for achieving a better understanding by the (potential) candidates and for the enhancement of internal transformation.

When addressing the issue of minorities in the Western Balkans, analysing regional cooperation and the settlement of the existing bilateral disputes is essential. The EU has been instrumental in mediating in these conflicts. Probably due to the focus on social and economic issues of minorities, the cultural rights of national minorities received only marginal attention in the course of these discussions. However, this risks the repetition of the same mistake as that made during the fifth enlargement round. Again, no matter how important it is, this is only a first step. It would be overly idealistic to think that finding a solution to these disputes and the establishment of good neighbourly relations at political level will also automatically lead to the non-reversible improvement of minority rights protection.

As a further consequence of the emphasis on social and economic context, critics have dwelled on the unequal focus on different national minority groups in the region. The situation of the various Roma groups receives the most weighty analysis within the reports, while the concerns of some other groups remain invisible or are barely examined. When listing the lessons learned, there is a tendency to highlight the unsatisfactory results of Roma inclusion in the previous enlargement round. Therefore, efforts to improve the process and the results focus on this challenge. As a new feature, there is now specific attention given to the greater inclusion of Roma communities themselves in developing recommendations and strategies.

It might be noted that Turkey is, in some ways, an interesting exception to this main rule on the approach towards minorities. The difference is not particularly striking when one analyses the progress report alone, but, rather, in light of the

list of issues which currently dominate the enlargement process. Amongst all countries, Turkey is currently the only one where the minority issue is openly on the table as a priority in its road towards the EU. It is not hidden under the cover of other internal or bilateral issues. Moreover, another interesting phenomenon can also be observed. Not exclusively discussed under the heading "Respect for and protection of minorities", the progress report offers a rather balanced analysis of the situation of the different national minority groups, including Alevis, Greeks, Roma, Armenians, Kurds etc. By contrast, political discussions are often limited to the situation of Kurds, particularly during debates regarding the current Turkish constitutional process. The debate about the unamendable articles[12] is often framed within the Kurdish issue. The mobilisation and the articulation of the opinions of other minorities, as well as the impact of the changes on their communities, are hardly ever mentioned.

However, regardless of this different context, the overall societal balance of progress is similar to that of the Western Balkan countries. The changes scratch merely the surface and do not induce transformation to an inclusive, multi-ethnic vision for society.

CONCLUSIONS

As an ambitious research programme, during its one year running, Copenhagen revisited made the exchange of ideas possible among more than hundred participants with different professional backgrounds and experiences. They shared a commitment towards progressive values, but not surprisingly, their opinions were largely divergent regarding the different aspects of minority rights in the context of the EU enlargement process. Indeed, the attainment of the common goal - enhancing the creation of a European society through EU enlargement, based on progressive values[13] – can be achieved in different ways. The main discussion points were related to three principal issues, namely the EU's expected role in the protection of minority rights, its approach towards it and diverse elements of the progress reports (their style, wording, comparability and balanced manner).

However, all discussion partners agreed on one point, which was generally referred to as the issue of the EU's democratic leverage before and after accession. Against recent developments in the dynamic of the enlargement process, the efficiency of the EU's democratisation effect in (potential) candidate countries has been questioned recently. The reasoning for this has not yet been widely embraced, namely, that reforms need to be made not because the EU requires them, but because these are necessary for the long-term benefit of countries and their societies. Therefore, the perception of the

EU as a moving target might slow the pace of the democratisation process. Nevertheless, it cannot be questioned that the promise of EU membership – as was seen at the fifth enlargement round – is indeed an important initiator of democratic reforms. By achieving the ultimate objective - EU accession - this influence has gone and many elements of the Copenhagen political criteria will fall out of the scope of EU law. It is essential that the political elite remains convinced about the necessity of maintaining not only the democratic legal framework, but also the principles leading to its creation. The relation between majority and minorities in the (potential) candidate countries is a highly emotive subject. In this case, it is fairly easy to change the political environment and societal attitudes. This could lead to the creation of an unfavourable, exclusive approach towards national minorities without changing the legal framework itself. The increasing popularity of populist right and far right parties both in EU member states and the Western Balkans is a more than worrying tendency in this respect. It would be irresponsible for the EU political elite to continue to hide under the slogan of lack of competency.

The heart of the response to this issue was envisaged in a similar way during the debates. It is essential to gain support for the establishment of after-accession progress reports on all EU member states, together with a strengthened role for the Fundamental Rights Agency of the EU. This poses a challenge for European progressives, if the respect for and protection of minorities is to go beyond the mantra of the Copenhagen criteria.

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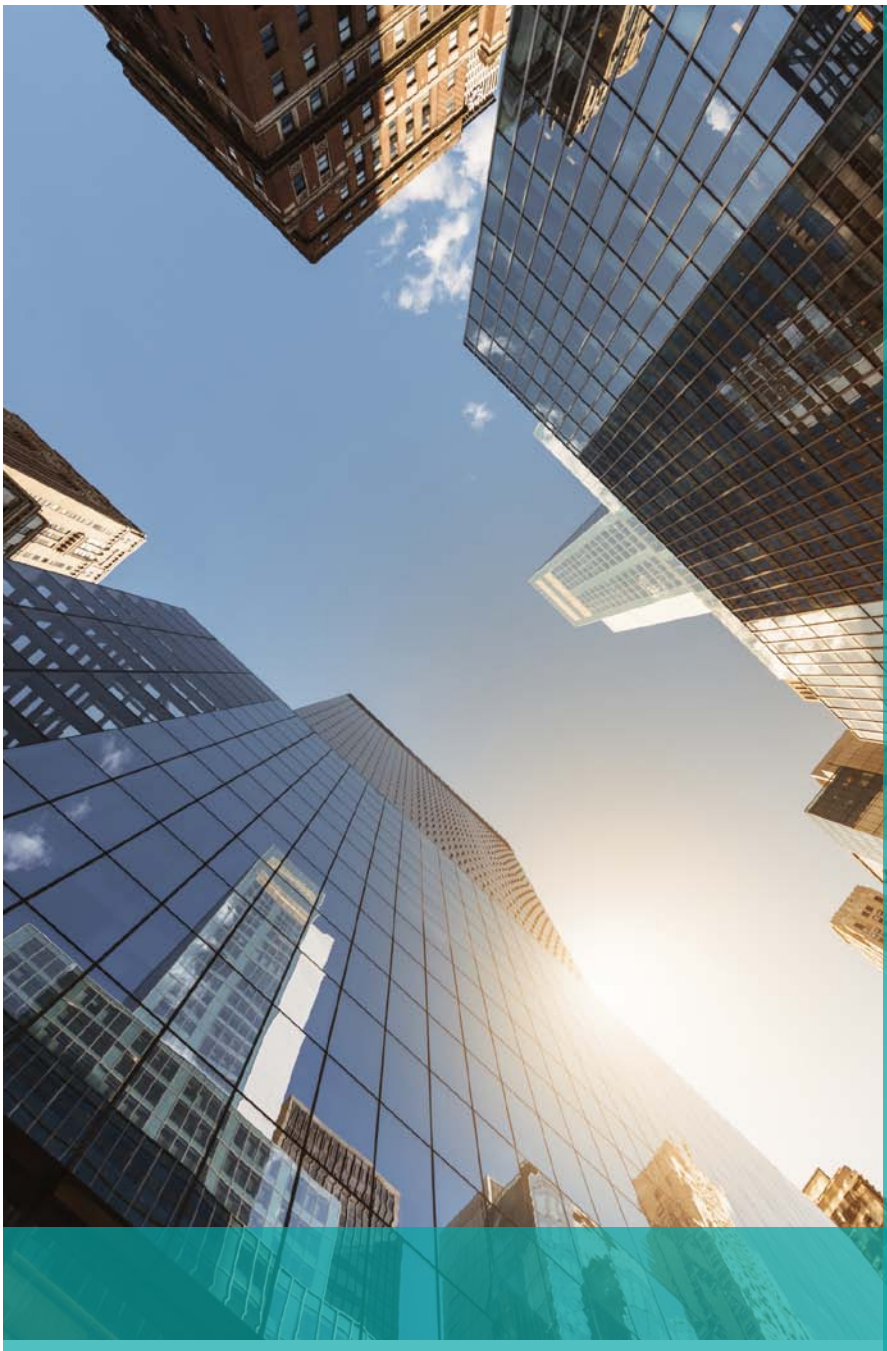

THE ECONOMICS OF ENLARGEMENT

Economic Convergence of New Member States: Opportunities and Risks

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ACCESSION

"Back to Europe" was a slogan of the last decade of the 20th century and the ultimate goal of all former socialist countries in Central and Eastern Europe (CEE); full membership of the EU was considered a panacea for all current and future economic and political problems. This enthusiasm for accession was founded both on political and economic considerations. Political democracy and a social market model with high standards of living were understandably attractive, and the EU was practically the only market left to CEE countries. These countries could not afford to turn away from it; they also expected capital in the form of direct investments, well paid jobs, and fiscal transfers. These benefits were strongly emphasised in many studies which calculated the contribution of accession to growth with the adaptation to a better economic system, increased Foreign Direct Investment (FDI), and subsidies. CEE countries, therefore, swiftly adapted their economic policies to attain that goal. Opposite views were rare. A few liberal economists argued that the CEE countries "would be better off by staying outside the EU and continuing to improve economic freedom and rule of law" (Prokopijevic, 2005, 6). While enthusiasm for accession on the part of CEE countries was founded both on political and economic grounds, enthusiasm for enlargement of the existing member states was based predominantly on political grounds.[1] On May 1, 2004, eight former socialist countries (Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovenia and Slovakia) joined the EU; on January 1, 2007 they were followed by Romania and Bulgaria; and three of them (Slovenia in 2007, Slovakia in 2009, and Estonia in 2011) joined EMU and introduced the euro.

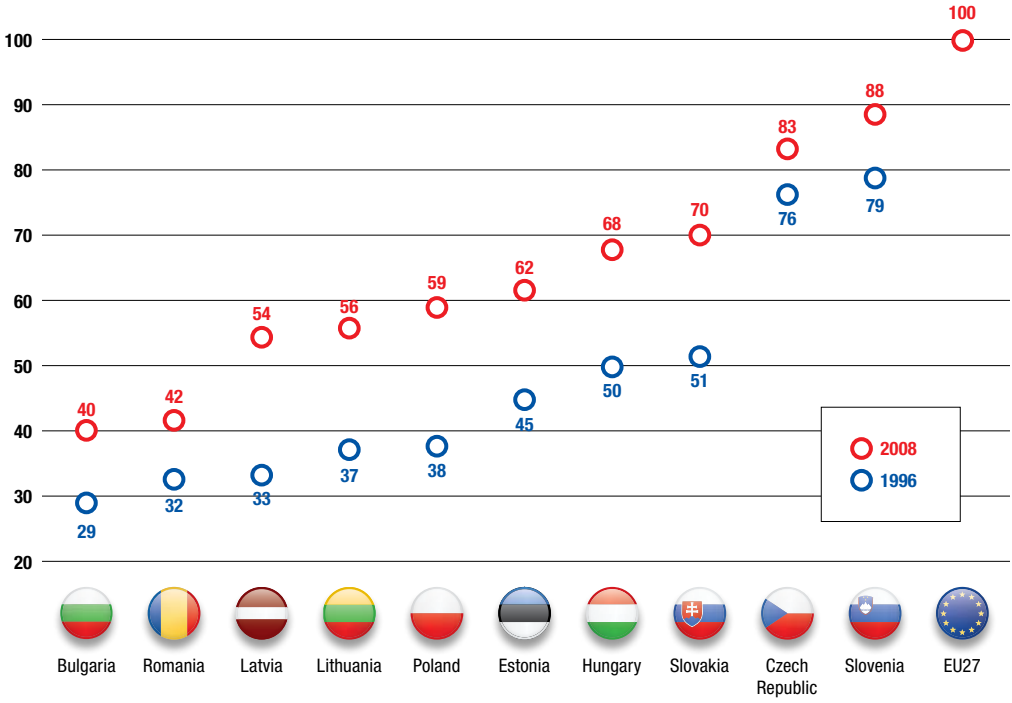
New member states (NMS) are often treated as a homogeneous group of countries converging to the EU average. The differences among them are, however, substantial. They originate from very different contexts, their choice of transition model varies, and economic policies are shaped by specific political developments.[2] Accession to the EU, which implies acceptance of the EU rules of the game (*acquis communautaire*) and the ensuing institutional convergence, should also lead to economic (GDP per capita, GDP growth, unemployment, inflation, internal and external stability represented by the budget and the current account balance) and social (share of public sector in GDP, equality etc.) convergence.

DEVELOPMENT BASED ON FDI

Hopes of large transfers from the EU budget to national budgets have proven to be an illusion. Yet taking into account flows of capital and ensuing changes in the ownership of productive assets - one could say that the enlargement was a kind of acquisition rather than accession. Two components of transition, privatisation and microeconomic restructuring, have been "assisted" by inflows of foreign capital, mainly in the form of FDI and through particular acquisitions. Sales of state-owned companies to multinationals were an important component of privatisation and restructuring; a significant part of FDI was cheap cash sales of productive assets. The empirical literature reveals mixed evidence regarding the positive spill-over effects of FDI for a host country.[3] Yet, according to the conventional wisdom and mainstream economics, positive spill-over effects of FDI have acquired the status of unquestionable fact, and FDI has remained a pillar of the development strategies in the NMS. Indeed, to attract FDI, the NMS countries have been willing to use various forms of subsidies: tax vacations, adaptation of the legal system or even direct financial assistance to multinationals. NMS countries have therefore replaced the contemptible sale of their assets during the period of rapid, often ideologically and politically inspired privatisations during which the "family silver" in most of the CEE countries was sold. Within a decade, foreign ownership of productive assets became major and in some sectors (financial services, telecommunications, retail trade) predominant or even exclusive. Nevertheless, average inflows of FDI in the 1996-2008 period exceeded average outflows of investment income, the situation was changing rapidly: outflows were growing from EUR 2.5 billion in 1996 to EUR 42 billion in 2008.[4] This has affected current account balances and escalated indebtedness. Large current account deficits[5] became a steady feature of the NMS. They can be traced back to the stabilisation policy based on the Washington consensus which promoted abrupt liberalisation of foreign trade in the beginning of a transition which created large trade account deficits which have been subsequently replaced by income account deficits emerging from acquisitions of productive assets by multinationals.

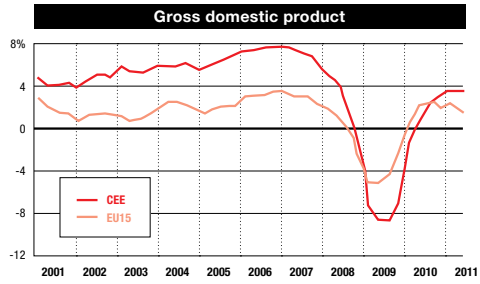
CONVERGENCE AND DEPENDENCY

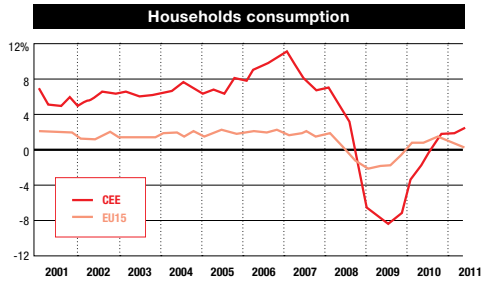
It is hard to empirically distinguish between benefits which could be attributed to changes of the economic system in CEE countries and the benefits of joining the EU. The relatively rapid convergence of CEE countries (See Graph 1) to the EU average began well before their formal membership of the EU, i.e. when the transformational economic depression was overcome in 1993. In 1997, most of the CEE countries reached their level of GDP before transition. One can, nevertheless, claim that the promise of EU membership contributed to convergence. A kind of a golden period in the NMS occurred from 1993 to 2008. New members did fare well in comparison to "old" members of EU. Stimulated by domestic demand and exports, growth in the NMS considerably outpaced growth in "old" EU countries, which is in accordance with the theory of convergence. The inflation rate converged gradually. Relatively high, double deficits prevailed in most countries with the exception of Estonia (with an enormous current account deficit accompanied by a budget surplus), and Slovenia (with a small current account surplus and a not too considerable budget deficit). Unemployment rates exceeded double digit figures in five countries with Poland leading, while unemployment in Hungary and Slovenia remained below the EU-15 average. FDI net inflows have gradually decreased as the "family silver" was more or less sold during hasty privatisation, with Slovenia being an exception.[6]

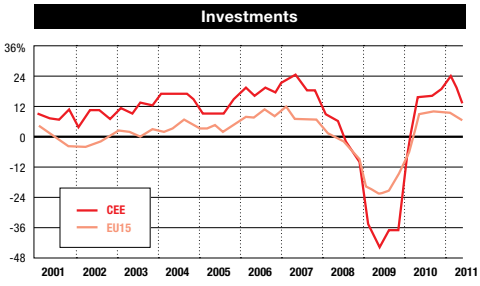


There was a price to be paid for successful convergence. By entering the EU and EMU (Slovenia, Slovakia and Estonia) NMS have ceased to be proper economic entities; they have relinquished most of the attributes which characterise a country as an economic entity (control of money, taxes, flows of goods, services, capital and labour migration, and its own economic system). Monetary policy (in the three countries) was shifted to the ECB; fiscal policy has been increasingly restricted by the Growth and Stability Pact and other EU regulations; countries lost control of flows of goods and capital and EU directives determine the economic system. More important, the flows of goods and capital are linked to “old” EU member states and the NMS became extremely dependent EU “regions”.

NMS are small economies (except Poland) with an export demand higher than 50% of GDP – mainly exports to the EU15. The high external vulnerability of CEE countries is a by-product of a transition based on the Washington Consensus, FDI addiction, and the overly rapid convergence of standards of living to the EU average. A predictable result of the rapid privatisation and liberalisation of imports in the early nineties was the destruction of the manufacturing sector or the sale of the most productive assets to foreign multinationals. Foreign banks acquired the banking sector and other financial institutions. The structural current account deficit - caused first by trade deficit - has become increasingly fueled by an income account deficit which, in 2005, surpassed the total current account deficit of NMS; growth based on foreign rather than domestic savings led to a negative net foreign financial position.







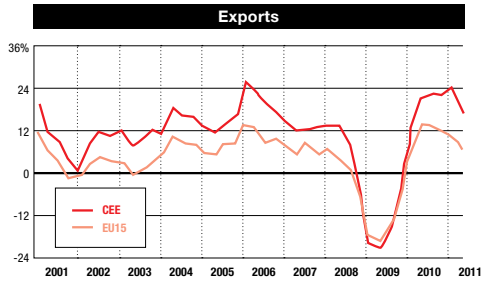


Table 1: *Exposure of CEE Countries at the Beginning of the Crisis*

	popul-lation mill.	export/ GDP ratio 2007	exports per capita 2008€	foreign banks % of assets 2007	credits/ GDP	ROE of banks 2007 %	loan/ deposit ratio July 08	current account/ GDP 2007	net financial position/ GDP
Czech Republic	10.3	0.69	9610	83	0.72	25	0.77	-3.3	-36.6
Estonia	1.34	0.51	6310	99	.	29	1.62	-17.3	-75.0
Latvia	2.28	0.30	3030	63	1.15	26	2.90	-22.9	-79.6
Lithuania	3.38	0.44	4770	92	0.71	29	1.53	-13.7	-49.9
Hungary	10.1	0.68	7340	83	0.81	20	1.32	-4.4	-109.9
Poland	38.1	0.32	3040	70	0.59	23	1.15	-3.7	-45.9
Slovakia	5.40	0.76	8950	97	0.56	19	0.86	-5.7	-49.7
Slovenia	2.02	0.59	11500	36	1.09	-	1.60	-4.9	-21.9
Bulgaria	7.70	0.40	1990	80	0.85	24	1.29	-21.5	-113.3
Romania	21.5	0.24	1560	88	0.53	26	1.27	-14.1	-45.8

Source: Eurostat, ECB

The global financial crisis, and particularly the credit crunch, is hitting CEE countries with large external financing needs very hard. Foreign banks, deeply involved in banking in CEE and until 2008 enjoying rates of returns on equity which were twice the rates of returns on equity in their home countries[7], began to discuss their exposure in the NMS.

Table 2: *The effects of the Crisis on Performance of NMS*

	GDP growth		exports per capita		unemployment rate		budget balance		public debt	
	2007	2009	2008	2009	2007	2010	2007	2009	2007	2010
EU27	2.9	-4.0			7.1	9.8	-0.8	-6.8	58.7	80.1
Czech R.	6.8	-4.7	9610	7730	5.3	6.7	-0.6	-5.8	28.7	37.6
Estonia	7.5	-14.3	6310	4840	4.7	11.3	2.5	-1.8	3.4	6.7
Latvia	9.6	-17.7	3030	2440	6.0	15.1	-0.3	-9.6	9.7	44.7
Lithuania	9.8	-14.8	4770	3520	4.3	16.2	-1.0	-9.5	17.3	30.0
Hungary	0.1	-6.8	7340	5930	7.4	9.8	-4.9	-4.5	66.0	81.3
Poland	6.8	1.6	3040	2560	9.6	9.9	-1.9	-7.3	45.2	54.9
Slovakia	10.5	-4.9	8950	7430	11.1	13.6	-1.9	-8.0	29.4	41.0
Slovenia	6.9	-8.0	11500	9230	4.9	7.9	-0.1	-6.0	24.1	38.8
Bulgaria	6.4	-5.5	1990	1530	6.9	12.1	1.1	-4.7	18.2	16.3
Romania	6.3	-6.6	1560	1350	6.4	7.3	-2.5	-8.5	13.0	31.0

Source: Eurostat

ECONOMIC IDEOLOGY IN NMS

NMS, or at least their governments[8], have been much more attracted by the American market model and neo-liberalism than the "old" EU states ever were. The EU showed very little interest in promoting the social market model in transition countries. The vacuum created by the collapse of socialism was filled by American advisers promoting a pure "shareholder value" type of capitalism; they were immediately followed by many domestic "Marxists" who quickly turned into "Hayekians". It is also true that many features of the widely admired European social market model no longer existed there when the transition began or when the NMS joined the EU. Current economic policies of the European Commission dominated by Germany threaten the social market model in NMS even more than in the rest of the EU.

Table 3: *Social Cohesion, Economic Freedom and Competitiveness*

	Public expenditure/ GDP	Heritage Freedom Ranking 179 countries	Fraser Freedom Index 141 countries	WEF competitiveness. index 139 countries	Inequality coefficient	Gini coefficient
Czech R.	50.8	70.4 (28)	7.13 (46)	4.57 (36)	3.5	.249
Estonia	34.4	75.2 (14)	7.52 (15)	4.61 (33)	5.5	.313
Latvia	35.8	65.8 (56)	6.92 (60)	4.14 (70)	7.9	.361
Lithuania	34.8	71.3 (24)	7.40 (24)	4.38 (47)	6.3	.369
Hungary	50.0	66.6 (51)	7.52 (15)	4.33 (52)	5.5	.241
Poland	42.2	64.1 (68)	7.00 (54)	4.51 (39)	5.6	.311
Slovakia	34.5	69.5 (37)	7.56 (13)	4.25 (60)	4.0	.259
Slovenia	42.5	64.6 (66)	6.78 (74)	4.42 (45)	3.4	.238
Bulgaria	39.4	64.9 (60)	7.34 (28)	4.13 (71)	3.5	.332
Romania	36.3	64.7 (63)	7.08 (48)	4.16 (67)	5.3	.333

*Heritage Foundation index is on the scale 0-100, Fraser Institute index on the scale 0-10, WEF competitiveness index on the scale 4 -10. Ranks on the world scale are in parentheses.



The adherence to "shareholder value" of the NMS is indicated by the low shares of the public sector, by fiscal discipline, monetary and exchange rate arrangements (particularly in the three Baltic states) and indirectly also by the flat tax being introduced in some or seriously discussed in other CEE countries. The NMS also rate quite high on the different scales of economic liberties calculated by institutions such as the Heritage Foundation or the Fraser Institute[9], and only slightly worse on the scales of competitiveness calculated by the WEB or the IMD. Estonia, which is clearly leading on the scales of the first two institutions, is supposed to be more liberal than most EU countries; it is followed by Latvia, Lithuania and Slovakia while Slovenia is on the bottom of the list not only among the ten newcomers but also among all EU members. Three countries (Slovenia, the Czech Republic and Bulgaria) retained a relatively high level of social cohesion, as indicated by inequality coefficients.

By joining the EU, some of the challenges posed by globalisation to the member countries were shifted from the national to the EU level. The EU, obsessed, like all modern societies, with economic growth, translated this obsession into the Lisbon Strategy of 2000. Four years later, the EU replaced the "old strategy" with an "updated" version. The idea implicit in the creation of a knowledge based society was that Europeans would create and sell knowledge to the rest of the world, and buy back from them the products produced with exported knowledge and their cheap "labor force". This proved to be an illusion: the EU - whether "old" or "new" - is unable to compete in the globalisation contest against much more ruthless societies whilst simultaneously preserving the European social model, existing standards of living, and economic growth. The Lisbon Strategy, the foundation of the EU's long-term development, only served as a rhetorical basis for maintaining mantras on the knowledge based society, competitiveness, flexibility and suchlike.

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1. Namely, that the assumed costs and benefits which enlargement would bring to incumbents differed considerably from those of newcomers. For incumbents, the potential benefits of enlargement were scanty as they were already able to reap the benefits of transition under arrangements which came into being in CEE after the dissolution of socialism.

2. Three models are usually considered: a neo-liberal model in Baltic states, a liberal model in Visegrad group, and a corporatist model in Slovenia.

3. See Blomstrom and Kokko (2003), Carkovic and Levine (2006), Görg and Greenway (2002), Lipsey (2002), Mencinger (2003).

4. Within a decade, foreign ownership of productive assets has become major and in some sectors (financial services, telecommunications, retail trade) predominant or even exclusive. Average yearly FDI inflow into CEE in the period 1996–2008 was approximately EUR 20 billion, with the exception of 2003, when it halved. The FDI inflows therefore resulted in the growth of foreign owned productive assets and correspondingly in enhanced investment income outflows. Though average inflows of FDI in the 1996-2008 period exceeded average outflows of investment income amounting to EUR 16 billion yearly the situation was rapidly changing. Outflows of capital were growing from EUR 2.5 billion in 1996 to EUR 42 billion in 2008. The crisis changed the situation abruptly; while inflows of FDI to NMS dropped to 10 billion € yearly, the outflow of profits continued to remain at the level of 40 billion € yearly.

5. A current account is composed of four sub-accounts: trade account revealing imports and exports of goods; services account exposing imports and exports of services (transportation, tourism, etc),; income account revealing outflows and inflows related to labor and capital services (remittances, profits) and current transfers account (assistance, flows between EU budget and national budget).

6. Indeed, Slovenia's outward FDI (mainly to former Yugoslav republics) surpassed inward FDI.

7. In 2007, the average share of profits of five major players (Erste Group, Unicredit, Raiffeisen, KBC, Intensa Sanpaolo) in CEE amounted to 30.5% of the profits while the asset share was 22.5%. 42 % of total assets of the Austrian banking sector were, by the end of 2007, in CEE countries.

8. This is often true for governments on both the "right" and the "left". Indeed, the classical division into left and right in NMS is very misleading.

9. Rankings of both institutions reflect their extreme neo-liberal positions.

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The Economies of the Western Balkans in Transition

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IS IT THE "WILD WEST"?

The Western Balkans (WB) is a political construct and refers to those parts of South Eastern Europe which are not yet members of the European Union (EU). It includes the successor states and territories of the former Yugoslavia (Croatia, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia and Kosovo), plus Albania. Despite the fact that war, ethnic conflicts and the political instability of the 1990s are synonymous with the region - which may be likened to the Wild West from cowboy movies - this is the region of Europe which gave us, amongst many others, Mother Teresa, Nikola Tesla, Ivo Andić, St. Clement of Ohrid, and Dražen Petrović.

A price was paid for the violent conflicts of the recent past. Today, the region has a low standard of living. Except for Croatia, all other countries have a GDP per capita that is considerably below the EU average. Households depend heavily on remittances from family members working abroad. For example, in some of these countries they can run up to 20% of their annual GDP. In addition, unemployment rates of 30% and higher do occur. Poverty is widespread. The physical infrastructure has decayed and is still underdeveloped. Public services such as education and healthcare are being neglected (Bartlett, 2009). Income inequality has increased sharply - there is a relatively high income inequality between low and middle income families on the one hand, and high income families on the other.

The WB is a region of 23.2 million people (4.6% if measured against the EU-27 total) and has a lot of borders. It is a region where, unfortunately, history does not unite nations, but usually divides them. However, these many different peoples have opted for the same goal in the last decade: EU membership. It is an attempt at unification, welfare, and prosperity and is virtually the only viable alternative.

This article analyses three questions: (1) What are the economic effects of the EU integration process for the WB countries? (2) What are the possible economic benefits of future EU membership for these countries? And (3) could they manage if they remained isolated outside the EU?

THE EU INTEGRATION PROCESS MEANS MORE TRADE, MORE FOREIGN DIRECT INVESTMENT AND AN INCREASE OF LABOUR MOBILITY AND HUMAN CAPITAL.

The WB countries started the EU integration process in 2000, when, during the Zagreb Summit, the Stabilization and Association Process (SAP) was launched. From today's perspective, it can be regarded as bringing order to these countries. It imposes various reforms and leads to social restructuring and thus a better future, something that the ruling elites of these countries probably would not generate on their own. Basically, EU integration means rule of law, better institutions, independent courts, freedom of the media and so on.

From an economic point of view, the above mentioned elements of the accession to the EU are prerequisites for a market-oriented economy. As a result, with the exception of Croatia and Macedonia, all countries witnessed annual growth rates between 2003-2008 in excess of 5% (the global economic crisis had a negative impact on more recent growth figures). Croatia's and Macedonia's average growth during this period was 4.3%. While growth rates have been significant in some cases, they were lower than the average growth of the Baltic countries (7.1%). In Bulgaria and Romania the economic growth has accelerated during the period prior to EU accession to an average of 6.5% between 2003 and 2008.

Key elements of the economic reforms were privatisation, macroeconomic stability and trade liberalisation. Macedonia and Croatia began the privatisation process in the early to mid 1990s, and the others at the beginning of this century. This process is now largely complete.

The WB countries have achieved stable price levels. Average annual inflation was lower than 4% during 2003-2010 for all countries, with the exception of Serbia. The average overall budget deficits were lower than 3% in the period 2003-2008, except for Albania. However, most of the countries have had to raise the budget deficit above 3% in the recent years, partially due to the economic

recession. The general government debt is moderate in WB countries. It is lowest in Macedonia (25% of GDP in 2010), and highest in Albania (60% of GDP).

The EU provided a governance framework for the WB which presupposed the multilateral liberalisation of trade. Free trade creates more business opportunities, a more optimal distribution of resources and its contribution to the widening of the national product base. Open trade is linked to good institutions and the implementation of best practices. This is exactly what WB countries need in order to overcome the obstacles of their transition.

In the period 2003-2010, compared to the period 1996-2002, foreign trade in the region rose significantly. The strongest increase was seen in Albania and Serbia, where foreign trade grew from 53.2% to 75.9% and from 54.2% to 76.6% of GDP, respectively. The rest of the countries have shown more moderate growth in foreign trade. The countries most open to trade are Macedonia, Montenegro and Bosnia and Herzegovina. Their foreign trade is around 105% of GDP. Another reason for the continuous increase of the foreign trade in these economies was regional trade integration through CEFTA that promotes free trade among its members.

The trade structure of the WB countries is not in their favour and in most of them the proportion of exports is between 40 and 60% of imports, except for Croatia where it is higher. This is a consequence of the extent of economic development and the position of the region in the global context. The basic trait of the economies of the WB countries today is the insufficiently diversified production base which consists mainly of labour intensive products with a low degree of finalisation (Bozic-Miljkovic, 2007), which therefore has a relatively low added value.

The WB countries - as part of the reform process demanded by the EU - managed to create a business environment capable of attracting foreign direct investments (FDI) in the form of subsidies for the foreign investors and low corporate tax rates. As a consequence, in the period from 2003 onwards, there was a marked increase of FDI in the region. In the period from 2003 to 2010, compared to the period from 1996 to 2002, the average level of FDI in the region rose 4.1 times. The best result was achieved by Serbia (9.5 times) and the worst by Croatia (2.7 times) and Macedonia (2.4 times). These numbers were, however, heavily influenced by the state of the privatisation process in the respective countries (as noted previously, Croatia and Macedonia started the privatization process earlier than other countries).

Why is FDI so important to WB countries? They are small open economies without adequate domestic savings. The average gross domestic savings (GDS) are below 6% of GDP for the period 2006-2008 in all countries except Croatia (22.4% of GDP). By comparison, GDS in the EU-27 was 21.0% of GDP during the same period. Therefore, FDI is one of the key preconditions for future economic growth. In addition, FDI generates know-how, technology transfers, increased productivity and diversification of the product base. Maric (2008), for example, analyses the impact of FDI at the firm level in Croatia and finds positive productivity growth.

An important issue is the quality of FDI. Most of it has been directed to the acquisition of publicly owned companies and banks or to opening retail market chains originating in EU countries selling imported goods (Bozic-Miljkovic, 2007). From the total amount of FDI, the share of greenfield investment was rather low. These foreign investments often led to an increase in productivity but were accompanied by lay-offs that actually, at the level of the national economy, resulted in a period of jobless growth which was evident in many countries in the region (Botric, 2010). Therefore, the OECD (2010) emphasises the need for greenfield projects and export-oriented activities.

It is worth noting that, in the past, the EU has provided support to the WB countries under a variety of financial instruments including: Community Assistance for Reconstruction, Development and Stabilisation (CARDS), PHARE and ISPA as well as SAPARD. Since 2007, WB countries have been receiving EU financial aid under the Instrument for Pre-accession Assistance (IPA).

The process of EU integration also brings with it labour mobility, allowing skilled workers to work in the EU and to gain valuable working experience that can be passed back to the domestic economy, which will also benefit from this know how. It also opens doors for WB youth into higher education in one of the EU member states, which directly augments the human capital of the WB countries and improves the quality of its labour force. This will attract even more FDI in the future.

EU MEMBERSHIP: BETA AND SIGMA CONVERGENCE

A report of the European Commision (2009) clearly shows that growth in the new member states increased significantly following their accession to the EU. Economic expansion, which was partially based on an improvement of capital

stock and an increase in productivity, allowed a narrowing of the income gap between new and old member states. GDP per capita in the recently acceded countries amounted to 40% of the EU average five years before accession, decreasing to 51.7% in 2008. The largest gaps were recorded in Romania and Bulgaria, where income initially stood at less than one quarter of the EU average and the percentage went up to more than one third in the last five years.

The WB countries benefited from the so-called 'beta-convergence'. This is the inverse relationship between growth and the level of income: when poor economies grow faster than rich ones. The above mentioned report provides evidence that member countries with a lower initial GDP per capita tend to grow faster, thereby catching up with other EU countries. There also exists 'sigma-convergence' in the enlarged union. This means that the new member states with low GDP per capita are not only catching up with their wealthier peers in relative terms, but are doing so at a fast enough pace for absolute income inequalities to diminish over time.

Enlargement has had a positive impact on trade in the EU, as the average GDP share of exports and imports increased in both the old and new member states. Moreover, EU accession stimulates FDI inflows creating a more attractive business environment and promoting investor confidence. FDI as a share of GDP has increased in the new member states while it decreased in the old ones. The growth of FDI contributed to higher investments, more employment and productivity growth in the new member states, while enabling foreign investors to better allocate their productive resources and thus increase their efficiency and competitiveness.

The old member states benefited from enlargement too, particularly those who directed their foreign direct investment in that direction and stimulated trade with the new member states. The correlation analysis indicates that, on average, old member states with higher growth rates in their FDI and trade activity with the recently acceded member states have enjoyed bigger increases in their real GDP per capita.

A BARREL OF DYNAMITE?

The global economic crisis and the problems of the eurozone (especially those of Greece) could slow down the EU integration of the WB countries. Moreover, any significant loss of time would probably have a destructive impact. How? I have two theses. First, one of the biggest problems of the WB economies are

organized crime and corruption which is well documented in the World Bank Enterprise Surveys. These issues could not exist without the 'knowledge' of the governments (especially in small countries). Interrupting the EU accession process (thereby halting the process of putting one's house in order) will encourage the interest groups in those countries which benefit from crime and corruption. This will lead to a reversal. Instead of transparent public spending, certain elites will profit from the lack of it. Instead of independent courts, the WB will have politicised ones. Instead of the rule of law, the strongest will control power. This will have a very negative impact on the state of democracy and will strengthen totalitarian tendencies which may eventually reverse the trend of economic expansion which can be evidenced since 2009 (we consider the global economic crisis as being a temporary one). The second thesis: The Western Balkans remains a barrel of dynamite. Many politicians will not be able to resist the opportunity to gain or stay in power by blowing the nationalist trumpet. Then instead of acceding to the EU, the WB will undergo wars and conflicts. These two scenarios are not mutually exclusive. On the contrary, they are mutually compatible and reinforce one another.

CONCLUSION: STRONGER EU

The negative example of Greece raises the question as to whether the EU will be capable of improving the institutions and of achieving rule of law in the Balkans. From a WB perspective the answer is straighforward: We need a stronger EU. An EU that will learn from the mistakes made in the past with Greece. An EU that will put an end to organised crime and corruption in the Balkans. And most importantly: An EU that will give priority to the welfare of the peoples of the WB. The biggest problems for them are unemployment and poverty. The present economic crisis should not be wasted. It is actually the best moment for radical steps to be taken.

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Ensuring Decent Work and Quality Jobs in the Balkans[1]

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The current financial and economic crisis has severely affected the employment situation in the Western Balkans with unemployment rates soaring above 20% and the informal sector growing to more than 30% of the total economy.[2] The European enlargement process demands the harmonisation of labour and social laws in the Western Balkans with the *EU Social Acquis*.[3] This is set to be a challenging process, even more so nowadays with the financial and economic crisis making the already difficult social and economic conditions in many of the candidate and pre-candidate countries even worse. There is an urgent need to use the accession process as a catalyser for promoting social inclusion, social cohesion, decent work and quality jobs in the region.

But as the evidence confirms there is no easy "one-size-fits–all" solution to the serious problems that this region faces concerning decent working conditions and quality job standards. There is a broad range of issues which we have to keep in mind which pose severe challenges to regional development. Some states are faced with complex legislative frameworks, like we find in Bosnia and Herzegovina and Kosovo. Other countries face a massive politicisation of already weak state institutions, which is often accompanied by corruption. Common to all of the Western Balkans is the failure to implement and enforce the adapted international standards and national laws and the lack of efficient controlling mechanisms.

In order to engage the issues at hand, a two-year "Decent Work Balkan Network" programme was launched in 2011 by SOLIDAR in cooperation with the Olof Palme International Center (Sweden) and regional partners to identify challenges and shortcomings of working conditions in the Western Balkans.

Together with the partner organisations AGENDA Institute (Albania), Center for Democracy Foundation (Serbia), CLARD (Kosovo), STBIH (Bosnia Herzegovina), Progress Institute for Social-Democracy (Macedonia), Progetto Sviluppo CGIL (Italy) and supported by the International Trade Union Confederation/Pan-European Regional Council (PERC), an assessment of the current state of social inclusion, social cohesion, decent work and quality jobs in the region was conducted. The key aim of the Network is to strengthen the capacity of trade unions, think tanks and NGOs to promote Decent Work and Quality Jobs in the Balkans by developing national and regional networks, joint advocacy actions and public campaigns, formulating policy proposals and monitoring the implementation of the *EU Social Acquis*.[4]

This article will discuss the Network's findings, which confirm that this group of countries is still far from being able to guarantee, protect and fulfil socio-economic rights and decent working conditions. It is therefore crucial that, in this worsening economic tide, the EU firmly insists on the full implementation of adopted labour and employment legislation and ensures that legal control mechanisms for the promotion of workers' and labour rights are guaranteed.

CHALLENGES TO DECENT WORK IN THE WESTERN BALKANS

Decent work requires the existence of productive work, an employer's fair and consistent relationship with his/her employees, a safe and healthy working environment, the protection of workers' and their families' social rights, the best possible conditions for an employee's personal development and social integration, workers' freedom to express their needs, organise themselves and actively take part in decision-making processes (when decisions directly influence their work, life and gender equality, i.e. equality between men and women). Decent work sums up the aspirations of people in their working lives and has four strategic objectives to achieve it: creating jobs, guaranteeing rights at work, extending social protection and promoting social dialogue.[5] Major challenges can be indentified for all four of these strategic objectives in the Western Balkans.[6]

For instance, the labour market in Serbia is characterised by a high percentage of long-term unemployed and those with 'unfavourable' qualifications, a high number of unemployed women, young people and those belonging to marginalised groups[7] as well as large regional differences. In Macedonia the unemployment rate is not only one of the highest in Europe (32%)[8] but also the most long–term, with more than 80% of those who are unemployed being out of work for more than one year. Statistics show that the majority of those (63.8%) have been out of work for more than 4 years.[9] This has resulted in

diminished human capital as people gradually lose their acquired skills and capabilities while waiting to find a new job.

In Albania, although economic progress since 2000 has partly reduced poverty and led to improved living conditions, it has not translated into more jobs - leaving Albania as one of the poorest countries in the region with a per capita income of €2,661.[10] The level of total employment in Kosovo remains at the very low level of roughly 26%[11] and unemployment continues to fluctuate at around 40% of the total labour force.[12] This percentage, without doubt is one of the highest in the region and in Europe, is mostly affecting under 25 year olds who make up 49% of the population.[13] Again, a large share of employees in the private sector (about 30% out of the roughly 400,000 employees) is part of the informal economy.[14]

What is common for the Western Balkans is that the high (long-term) unemployment rates have led to a degradation of workers' rights and their violations by employers, both in the private and public sectors, as workers are forced to put up with miserable working conditions to live. The growing informal market "favours" some employers since there is no written evidence which guarantees the legal protection of a worker. It is common practice that employers do not register these workers and if they do, they often make fraudulent registrations with the Employment Agency, notifying the latter that the employee resigned, when in fact the employee continues to work for them even after the initial contract has expired. Consequently, workers are not paid regular wages, some wait months and years to get any kind of compensation, nor pensions and social and health insurance contributions. This means that their access to social protection and employability measures is limited. Their rights to sick and maternity leave are not respected, making female workers especially vulnerable. Frequently, their contracts are unlawfully terminated because of pregnancy. Moreover, gender discrimination takes the form of dismissal or non-prolongation of employment contracts as well as the non-payment of benefits and discriminatory behaviour when the woman returns from her maternity and parenthood leave. Gender gaps are reflected in the higher unemployment rates among women and a low share of women in managerial positions and well-paid jobs for highly skilled workers.[15]

Interestingly, although a plethora of international regulations and instruments regulating the area of economic, labour and social policies, conventions regulating international labour law (apart from Kosovo), national laws and bylaws, the Constitutions, collective agreements, internal regulations and a mix of basic legal institutions such as the labour inspectorate, courts and Ombudsman have been put in place in the countries, the level of decent work and quality

job creation is still far from sufficient.[16] This inadequate implementation of existing legislative and policy frameworks stems from numerous problems with enforcement in particular from many open questions concerning the functioning of the inspection system as a whole and its ability to control informal work. Further, the inconsistent, inefficient and slow implementation of enforcement of regulations is closely linked to the considerable influence of political parties and political interests on the functioning of different institutions, for example State bodies, public institutions, public companies and finally, trade unions.[17]

CHALLENGES TO ENFORCING DECENT WORK

Although the issues identified below are present in all the countries to a greater or lesser extent, in this section we will present some of the main challenges per country.

SERBIA: politicised public institutions

Research highlights that political parties are dominant players in Serbian public companies, while the institutions, laws and regulations that should protect public interest remain weak and organised in a way that allows political parties to take decisions at whim. These vulnerable institutions are unable to stop their politicisation and establish a system where the institutions are responsible for their results and accountable to the public.[18]

Hence, it is necessary to amend numerous laws and reduce the interests of political parties and their ability to appoint leading management in public companies and institutions, as well as State bodies. Furthermore, the inspection system is not legally regulated in a thorough manner; instead it is regulated by a handful of legal substantive provisions of the annulled Law on State Administration, passed in 1992. Existing problems relate to the unsatisfactory qualifications for assigned duties, overlaps and lack of coordination between different inspection services in interrelated areas of work, and its politisation.[19]

MACEDONIA: unsatisfactory law enforcement through labour inspections

Although modifications to the Law on Labour Inspectorates strengthened the rights of workers and the competences of inspectors, the functioning of the labour inspection system still shows weaknesses. This is not due to the laws which are in place, but rather to the non-functioning labour inspectorates. As in

the case of other countries in the region, the main problem is the small number of labour inspectors. Another important problem is the political influence on the body which distorts its impartial and proper functioning. The increase and training of labour inspectors is therefore of utmost importance.[20]

KOSOVO: two overlapping legal frameworks

Specific legislation governing socio-economic rights, including labour rights, poses serious problems due to its current complexity and collision of norms.[21] While none of the key International Labour Organisation (ILO) conventions have been adopted, neither the United Nations Interim Administration Mission in Kosovo (UNMIK) Framework Constitution[22] nor the Constitution of the Republic of Kosovo include any provision from the two main legal mechanisms for the protection of labour rights and freedoms; International Covenant for Economic and Social Rights[23] and the European Social Charter.[24] The Law on Labour adopted in 2010 is thus seen as a strong impetus towards providing more security and advancing the situation of workers. Some of the main obstacles for the overall implementation are the current UNMIK Regulations, which in most of their provisions need to be amended to reflect changes in the field of labour rights, and the subsidiary acts which have to be drafted in order to make acts operational and functional. Public and private companies need to draft their respective rules of procedure to guarantee respect and protection of rights in practice.[25]

ALBANIA: towards labour code reform

In Albania, the Labour Code needs to be revised in order to approximate it with EU legislation and to accommodate the requests proposed by the unions to remove restrictions concerning the future implementation of the European Social Charter, to change articles allowing dismissal without any reason or motive by observing a notice period, to remove court fees for labour rights cases in order to facilitate protection of labour rights, to remove ambiguity in the law on general strikes and to reformulate the legal terms on freedom of association. The existing legal instruments available to workers in case of violations of their rights are limited as it may take up to three years to receive a verdict on a violation case since the civil courts are overloaded. The envisaged revision of the labour code has to take into account the prevention of unfair dismissals: The burden of proof should not be on the victim but should be the responsibility of the employer.[26]

BOSNIA: four jurisdictions and the quest for decent labour standards

There are four different jurisdictions within Bosnia and Herzegovina (BiH), including the state level, the two entities - Republika Srpska and Federation of BiH - and the Brčko District, which regulate their own labour relations. This makes any sort of coordination and implementation extremely difficult. Violations of rights deriving from labour relations in BiH are frequent because the protection mechanisms do not function properly. This makes the development of administrative, judicial and other mechanisms crucial for a more efficient protection of the right to union organising, particularly in the private sector. Several modifications of Labour Laws in the Federation of BiH and Brčko District and complementary laws at the State level are necessary, like establishing and maintaining a register of trade union organisations in the jurisdictions and developing measures and regulations that will clearly define the representativeness of trade unions and associations of employers.[27]

WHAT NEEDS TO BE DONE FOR A BRIGHTER FUTURE?

The EU will have to stand up and speak out for the improvement of labour and employment standards within the region. To that end, the Decent Work Balkan Network calls on the European Institutions to:

- To continue to address the issues of a growing informal sector and unemployment in Enlargement countries through specially targeted programmes for marginalised and excluded people, such as precarious workers.

- To insist on the full implementation of the adopted labour and employment legislation and strengthening of control mechanisms in the field of workers' rights.

- To ensure that administrative, technical, financial and programme capacities are strengthened through the Civil Society Facility (under the Instrument for Pre-Accession - IPA) by supporting socio-economic partnerships in the region that can monitor the application of international policies and the EU integration process.

The cooperation of national authorities will be crucial to ensure the improvement of labour standards in the course of EU Enlargement. The Decent Work Balkan Network calls on national authorities to:

- To strengthen institutions and control mechanisms and better implement labour legislation in practice.
- To ensure that trade unions are not subject to various abuses but are an accepted partner both in social dialogue and the process of EU integration, while social partners need to strengthen their watchdog and ombudsman role.
- To ensure that transnational enterprises treat their workers in the Western Balkans the same as those in the EU. The inappropriate behaviour where workers face different standards needs to be sanctioned, especially in the cases where both countries are International Labour Organisation (ILO) members.
- To prevent any further cancellation of collective agreements. With the ongoing crisis the cancellation of collective agreement will become the easiest solution; that needs to be prevented in order to avoid an even more chaotic situation in the labour market.
- To develop support mechanisms for social partners to promote joint coalitions involving a broader set of actors such as NGOs and the media in efforts to protect workers' rights and to campaign together for positive change. These actors could help to increase the legitimacy of social partners by raising awareness among the general public about socio-economic rights, decent work and quality jobs.
- To consider the shared realities in the region. Networks stretching across national borders should continue to be strengthened to reduce labour right violations by exchanging positive practices and through joint advocacy campaigns.

CONCLUSIONS

In this bleak context, a new progressive approach to decent work in the Western Balkans is needed and has to be based on creating jobs, guaranteeing rights at work, extending social protection and promoting social dialogue.

The failure to implement existing legislation prevents the adequate treatment of the rights of employees and normal working conditions, and does little to advance democracy and economic development. To deal with the difficulties arising from violations of labour norms and provisions, there is a need for governments to coordinate their activities together with employers and employees, as tripartite constituents, to jointly shape policies and programmes promoting decent work for all.

Further efforts are needed to strengthen cooperation between trade unions and employers' organisations in order to consolidate the bipartite social dialogue. Despite the fact that some employers' organisation have better capacities, they are often fragmented and some fail to cooperate with each other as well as with trade unions. However, a fruitful cooperation between these actors would improve the situation for both enterprises and workers in the sector and potentially lead to the development of industrial relations.



In a region with high unemployment, where the informal economy is a predominant issue, where the State administration controls the conduct of economic and social dialogue, labour inspectorates are not able to properly monitor implementation and enforce sanctions, civil society and trade unions should position themselves as central actors in matters directly or indirectly affecting workers. The underdeveloped relationship with the media could be improved by developing joint civil society organisation - trade unions partnerships and advocacy strategies. In fact, only a genuine cooperation between all stakeholders (public institutions, trade unions, employers' organisations, NGOs, media) can help create socio-economic progress and fulfill the interests of workers and employers.

The long-term goal is that the countries' laws and legal systems are not only made compatible with the provisions of relevant international instruments that regulate labour and socio-economic rights but that actors across the board employ an appropriate and comprehensive approach that would create more favourable conditions for these rights to be respected. Lastly, unless the high unemployment levels and widespread poverty are addressed when designing policies in and for the region, not even the best laws or implementation mechanisms will be able to promote decent work and quality jobs.

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3. The social acquis is the part of the acquis communautaire that includes the body of laws (Treaty provisions, regulations, directives, decisions, European Court of Justice (ECJ) case-law and other Union legal measures, binding and non-binding), principles, policy objectives, declarations, resolutions and international agreements defining the social policy of the EU (Eurofound, 2010).

4. Making the System Work: Ensuring Decent Work and Quality Jobs in the Western Balkan (SOLIDAR, 2012), p.4

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15. Making the System Work: Ensuring Decent Work and Quality Jobs in the Western Balkan (SOLIDAR, 2012), p.8

16. Ibid., p.9

17. Ibid.

18. How to Stop Politicization of Public Companies in Serbia (Center for Applied European Studies, 2011)

19. Union Organising: A Prerequisite for Decent Work in Bosnia and Herzegovina (SOLIDAR, 2011), p.4

20. Decent Work in the Republic of Macedonia (SOLIDAR, 2011), p.7

21. At the moment, the legislative framework consists of:

- Former-Yugoslav legislation;
- United Nations Mission in Kosovo (UNMIK) regulations;
- Kosovo laws promulgated by UNMIK; and
- Kosovo laws following the country's independence.

22. An act parallel to the Constitution in state.

23. An act adopted by the UN General Assembly in 1966 that entered into force upon the limit of signatories in 1976.

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THE FUTURE OF ENLARGEMENT

The Next Ten Years

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WHY ENLARGE THE EU?

The EU's enlargement policy, as enshrined in Article 49 of the Treaty on European Union, is the response to the legitimate aspiration of people of our continent to join the endeavour of a unified Europe. The enlargement of the EU has been a policy pursued for more than four decades. Successive enlargements in 1973, 1981, 1986, 1995, 2004 and 2007 have seen the number of members jump from the original six to 27. In 2013, Croatia will become the 28th member. More than three quarters of the EU member states are "enlargement" countries. The Union is not and never was static. Enlargement is written into Europe's DNA.

Successive enlargement of the Union, including the integration of the countries from Central and Eastern Europe over the past decade, has shown that enlargement benefits the EU as a whole and allows it to be better positioned to address global challenges. Economic integration has deepened, the internal market has been strengthened and trade flows have increased. The enlargement policy has also proven to be a powerful tool for the transformation of societies. Countries that have already acceded to the EU and those on the road to join, have undergone impressive changes through accession-driven democratic and economic reforms. Their citizens and businesses are the first to benefit from their reforms which generate prosperity and stability.

In the decade ahead, the value of further widening along with deepening of the EU will become even more evident as geo-political shifts, global economic developments and demographic change focus ever more attention on the rise of the BRICs, in particular China and India. In contrast to the BRICs, as well as our neighbours in North Africa, we face the immediate challenge of a lower birth rate and an ageing population.

The recent global financial crisis and the present difficulties in the Eurozone have highlighted the interdependence of national economies both within and beyond the EU. These events underline the importance of further consolidating economic and financial stability and fostering growth, also in the enlargement countries. The enlargement process is a powerful tool to that end. Enlargement is not the reason for facing the global challenges we do; it is part of the solution to addressing these challenges.

At the same time, while continuing to enlarge, the EU needs to consolidate its own course. We need to strengthen economic governance in the euro-zone, to further bolster the single market and to move to deeper integration considering also further models of variable geometry. The EU is a force for political and economic change and projects this transformative power through its enlargement policy. At the same time, the member states of the Union cannot afford to be complacent when it comes to their own respect of the fundamental values on which the Union is based. The Union cannot live up to the global challenges it faces unless democracy, the rule of law and freedom of expression are strongly anchored in all its member states. The Union must act to defend attacks on fundamental rights within its own borders. It must do more to strengthen the administration of justice, to fight corruption and enhance mutual confidence between member states.

THE CURRENT ENLARGEMENT FRAMEWORK AND CRITERIA

The enlargement process currently encompasses Iceland, Turkey and the Western Balkans. Croatia will join the EU on 1 July 2013 provided the Accession Treaty is ratified by all member states. Accession negotiations are on-going with Iceland and Turkey and at the time of writing they were about to start with Montenegro. The former Yugoslav Republic of Macedonia and Serbia have the status of candidate countries with which negotiations have not yet started. Albania, Bosnia and Herzegovina and Kosovo are potential candidates at various stages of the accession process.

Every democratic European country aspiring to membership of the Union has to meet a number of basic conditions, in particular the criteria set out by the European Council at its meeting in Copenhagen in 1993. The Copenhagen criteria for EU membership remain valid and at the heart of the enlargement policy. In addition to the political criteria, which are intimately linked to the values of Article 2 of the Treaty on European Union (TEU), these criteria include the existence of a functioning market economy and the capacity to cope with competitive pressure and market forces within the Union; the ability to take on the obligations of membership, including adherence to the aims of political,

economic and monetary union; and the administrative capacity to effectively apply and implement the *acquis*.

The capacity of the Union to integrate new members is also an important consideration.

The renewed consensus on enlargement, agreed by the December 2006 European Council, and based on the principles of consolidation of commitments, fair and rigorous conditionality and good communication with the public, combined with the EU's capacity to integrate new members, remains the framework for the EU enlargement policy.

The criteria for membership are unlikely to change in the foreseeable future. The EU is a community of values, as spelled out in Article 2 TEU and in the EU Charter of Fundamental Rights. The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the member states in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail. These values are the Union's greatest strength. Maintaining their integrity is crucial if the EU is to be in a position to face the global challenges ahead.

The continued credibility of the enlargement process is an important element for advancing profound economic and political reforms in the enlargement countries and ensuring the support of member states. Croatia's successful experience sends the strong message to other enlargement countries that the EU delivers on its commitments once the conditions are met by the candidate country. Recent developments such as the start of accession negotiations with Montenegro, the candidate status for Serbia and the extension of visa liberalisation to practically the whole of the Western Balkans have confirmed that tangible results along the path towards the EU are also achievable ahead of accession, when the respective conditions are met.

THE WESTERN BALKANS - PROSPECTS FOR DEEPER REGIONAL COOPERATION AND RECONCILIATION

Regional cooperation underpins and enhances reconciliation in a region that suffered major conflicts in the recent past. It is also an integral part of the process of integration into the EU, which often necessitates regional approaches and measures. Regional cooperation and trade can bring further economic benefits to the region.

Significant progress has been achieved in this respect over the past decade and there are good prospects for further important progress over the years ahead. Bilateral and multilateral contacts between leaders and politicians of the region have increased greatly in recent years, whether in the context of bilateral agreements on borders, organised crime and police cooperation, or in regional fora such as the Sarajevo process on refugee return, the Energy Community or the Central European Free Trade Area (CEFTA).

Even if vigilance will still be required in the years to come against nationalist reflexes, positive voices calling for reconciliation are resonating more deeply among the population at large, laying stronger foundations to deal with war legacy issues such as war crimes, refugees and inter-ethnic tensions.

In terms of war crimes, completing the process of rendering justice for crimes committed during the wars in the former Yugoslavia is essential for lasting reconciliation. While the work of the International Criminal tribunal (ICTY) will come to an end in the course of the decade ahead, the governments concerned still face major challenges tackling impunity for war crimes within their own jurisdictions. However, with political will, increased resources, further regional cooperation and resolution of problems with the extradition of own nationals, within a decade, the countries of the region can ensure justice is done for at least a significant proportion of the thousands of victims of the wars. At the same time, initiatives by NGOs and civil society play an important role in enhancing reconciliation among the citizens of the region.

The Sarajevo process on refugee return involving Serbia, Croatia, Bosnia and Herzegovina and Montenegro, is being successfully completed politically through joint work in the region aimed at facilitating sustainable return of refugees to their places of origin or local integration in the place of refuge. The EU and the international community support this process with substantial financial resources, in particular by funding housing solutions for the most vulnerable. Now more real than ever are the prospects that within the next years the final reception centres housing internally displaced persons (IDPs) and refugees from the region can be closed and the formal deregistration of the current 70,000 remaining refugees completed.

Disputes related to inter-ethnic or status issues, notably in Bosnia and Herzegovina and Kosovo, continue to obstruct the normal functioning of institutions, act as a brake to the reform process and the European agenda and sometimes have broader regional implications. Pursuing their EU path is the best way for the countries to address these problems. Progress in the EU-facilitated Belgrade-Pristina dialogue is fundamental in this context. The continued implementation of the Ohrid Framework Agreement in the Former Yugoslav Republic of Macedonia

is a reminder that difficult ethnic-related issues can be successfully addressed through dialogue and compromise.

Past grievances - real or perceived - will take time to eradicate, but solving existing problems in a forward-looking and EU-oriented way with pragmatism, moderation and EU support will go a long way in lessening the potential for political exploitation in the future. Open bilateral issues need to be solved by the parties concerned as early as possible during the enlargement process, with determination, in a good neighbourly spirit and taking into account overall EU interests. The border arbitration agreement between Slovenia and Croatia, the implementation of which has begun, paves the way for solving this bilateral issue and is a good example of the way forward. The Commission strongly encourages the parties to the dispute over the name of the Former Yugoslav Republic of Macedonia to employ a similarly constructive spirit in the on-going UN-led process.

Looking ahead, in the context of EU integration, border issues will become less relevant as barriers to trade are broken down and issues that matter to citizens such as freedom of movement become more of a reality. Already, with visa facilitation, trade through the Stabilisation and Association Agreements, participation in Community programmes, the Energy Community and other initiatives, citizens are being brought closer to Europe.

The accession of Croatia will be a major step in the historic project of integrating the Western Balkans into the EU. The EU has consistently proclaimed the inclusiveness of its policy towards the Western Balkans, starting with the 'regional approach' of the mid-1990s and most prominently through the Stabilisation and Association process launched in 1999 and the 2003 Thessaloniki summit which confirmed that the future of the Western Balkans lies within the EU. In view of the EU's commitments, as well as the history and geography of the region, 'unfinished business' will remain until the whole of the Western Balkans are included, once the conditions are met. Within this context, the Commission remains fully attached to the principle of own merits. The pace at which each country advances towards membership depends mainly on its performance in meeting the established criteria and conditions.

TURKEY

With its dynamic economy, important regional role and its contribution to EU's foreign policy and energy security, Turkey is a key country for the security and prosperity of the European Union. With its strategic location at the crossroads between Europe, the Middle East and the Caucasus, Turkey has steadily developed and strengthened its links with the EU. Further development of these links would benefit both sides. Turkey is already integrated to a large extent into the EU in

terms of trade and foreign investment through the Customs Union. The country has become an important industrial platform for a number of leading European companies, and is therefore a valuable component of Europe's competitiveness.

Turkey's contribution to the European Union in a number of crucial areas will only be fully effective with an active and credible accession process. The accession process remains the most effective framework for promoting EU-related reforms, developing dialogue on foreign and security policy issues, strengthening economic competitiveness and increasing cooperation in the field of energy to our mutual benefit. This process must respect the EU's commitments and the established conditionality.

A new phase in the relations with Turkey was triggered in May with the launch by the Commission of a positive agenda with Turkey by the Commission. The positive agenda is not an alternative to the accession process but is intended to bring fresh dynamism to the EU-Turkey relations, to keep the accession process of Turkey going and put it back on track after a period of stagnation. It will focus efforts on areas of common interest such as legislative alignment, enhanced energy cooperation, visa, mobility and migration, Customs Union, foreign policy, political reforms, fight against terrorism and increased participation in people-to-people programmes.

Concerning relations with the Republic of Cyprus, full implementation by Turkey of the additional protocol to the Ankara agreement (i.e. allowing aircraft and vessels from the Republic of Cyprus into Turkish airports and harbours and beyond) would give a huge boost to the accession negotiations. It goes without saying that reaching a comprehensive settlement would also be a huge contribution to the accession negotiations and would create a new momentum.

ICELAND

Iceland's already high level of integration with the EU across a wide range of policy areas is a considerable advantage in its on-going accession process. With an overall good level of alignment, membership in the European Economic Area (EEA) and full participation to the Schengen Agreement, accession negotiations should continue to proceed well. Iceland's track record in implementing its EEA obligations is overall satisfactory. In some cases the EFTA Surveillance Authority has initiated infringement proceedings against Iceland including at the EFTA court. EU accession remains a controversial issue in Iceland. Communication activities promoting an informed debate about Iceland's accession process are on-going.

The Commission will continue to provide support in the field of information and people-to-people contacts.

FUTURE AGENDA - OTHER EUROPEAN COUNTRIES

Through the enlargement policy, the EU extends its zone of peace, stability, democracy, and prosperity; concepts that have gained renewed relevance, in the light of recent developments. The Arab Spring and the dramatic events in the Southern Mediterranean and the Middle East, as well as the fragility of the ensuing situations, underline the importance of a pole of stability and democracy in South-East Europe, solidly anchored in the EU's enlargement process.

In the future, and in line with the EU Treaties, an extension of the enlargement policy to European States to the east of the Union is not to be excluded. The current challenges facing the Union internally and the considerable work ahead in the countries of the neighbourhood make it difficult to speculate as to prospects for a wider enlargement agenda in the years ahead.

1. Timing – the future of enlargement should be more clearly linked to an ever more intensive debate about the deepening of economic and financial integration.

2. Enlargement has so far been a successful policy not only by adding more new members but also by creating the conditions for the ongoing strengthening and deepening of integration. Our capacity to deepen integration is an ongoing reality check of our own ability not only to get bigger but also to grow stronger.

3. The credibility of the enlargement process depends on our ability to take on board the lessons learned. In addition to that, particularly at this point in time, the enlargement process should not only be firmly based on the acquis but it should also include closer interaction with the candidate and aspirant countries about the future of the EU and the Eurozone with deeper involvement of these countries in the new economic governance of the EU.

4. There are still lots of questions to be answered about the future shape of the EU but if political arguments based on democratic support are to be made in favour of a multi-speed Europe, this will have to be reflected in our Enlargement Policy.

However, the European Union should send positive signals to its Eastern Partners. It should encourage them to advance as far and as fast as possible on the path towards the closest possible political association and economic integration with the European Union. The European Neighbourhood Policy and the Eastern Partnership

are powerful means to bring the countries that are willing and able closer to the EU. While the countries of the Southern Neighbourhood do not belong to Europe geographically, a deepening of our partnership is in our mutual interest. Ultimately, we should develop bilateral Deep and Comprehensive Free Trade Agreements forming a network to create a Neighbourhood Economic Community.

Although not currently on the agenda, future enlargement to Norway, Switzerland, and Liechtenstein already closely linked to the EU through the EEA and EFTA remains a possibility should their populations wish so.

CONCLUSIONS

The EU's enlargement policy has brought about deep democratic and economic transformation in countries seeking to join. Enlargement benefits the EU as a whole and allows it to be better positioned to address global challenges. Membership to the EU remains an attractive prospect for many European countries despite the internal challenges the Union faces.

The fact that nine countries still wish to become part of the EU is a really powerful vote of confidence for the enlargement policy.

The EU will need to rise to the challenge of its own political and economic transformation to face the consequences of the economic and financial crisis it is going through. Further enlargement based on strict but fair conditionality and transformed relations with the countries of EU's neighbourhood will strengthen the EU's own prospects of success in a rapidly changing global environment.





The Impact of Enlargement on the EU

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INTRODUCTION

The process of EU enlargement has been widely celebrated as one of the Union's most successful political processes. This celebration is not without good reason, for the EU has, after numerous enlargements, emerged as an economic powerhouse not to be reckoned with, accounting for more than 30% of the global GDP and 17% of world trade volumes. Increasingly, in a world where markets integrate and the productive process looks in itself increasingly transnational, market volume and size matter. With each successive accession the already well-developed EU integration process, ranging from the energy market to monetary policy as well as the freedom of movement for people, goods and capital, Europe gains. This kind of gravity no member state could secure on its own. By becoming bigger, we become stronger. That is, unless we fail to become more cohesive.

Undoubtedly, membership, or even the prospect of membership, has been a political catalyst for the transformation and harmonisation of governance models in numerous European states. States engaged in the process of accession negotiations or even states merely hoping to be engaged, have changed as polities by setting higher standards for human rights, transparency, local governance, competitiveness and rule of law. This list is becoming longer, as the process of accession becomes more comprehensive with each wave of expansion. From Chisinau to Tirana and from Belgrade to Kiev, "returning to Europe" is a vision that inspires today as much as it did in 1989, perhaps even more so. For those states already anchored in the process or those merely having the vision of becoming members, the notion of conditionality operates as a collectively accepted instrument in order to reach the ultimate goal. This in itself has changed modes of governance. The violent settlement of border disputes and heavy-handed approaches to governance are clearly out of tune with the need to demonstrate "European credentials." In sum, the policy of enlargement has made Europe an attractive business destination as well as an attracting model for non-coercive political integration and conflict management.

In this scheme, the EU has had the opportunity to shape and model its neighbourhood after its own normative and regulatory image in many ways. Resources were made available for the engagement of these states on a project-by-project basis with three main effects: infrastructural complementarity, research, education, training, the emulation of best practices, etc were promoted; harnessing people-to-people networks as well as socialising the political establishments with "budget lines," "progress reports," "transparency indicators" and, more generally, protocols of governance that have been developed in Europe over decades; last but not least, the prospect of joining the European Union "grounded" often volatile political systems, creating room and will for a culture of negotiation and effective governance. All these developments were cemented over the last few decades as the EU created the political instruments to enable it to take centre stage in state building rather than merely implementing reform-oriented policies. From Sarajevo to Pristina and from Skopje to Belgrade, the EU is more than a normative framework. Hands-on approaches and the active engagement of the EU in synergy with NATO, have made Europe an actor in the formation rather than just in the reformation of polities.

Nonetheless, the political vision of turning each region of Europe into a "European Neighbourhood" has not gone entirely unchallenged. Enlargement also sets the stage for a drama with a different kind of quality, where the EU institutional apparatus is forced to encounter discomforting questions, such as "what is European?". In fact this question is rarely addressed as bluntly as that; more often than not, this theme is addressed under proxy issues such as "the democratic deficit" or the perennial "permissive consensus" nature of policy development. On the one hand, the style and scope of the enlargement policy, which appears as an inflexible package of chapters that must open and close for each candidate, are in fact flexible. The fact is that every negotiation process is tailor-made and customised to fit the specific challenges of the candidate(s) in question. Moreover, as Europe grows, different political priorities take precedence in each and every negotiation process. In sum, Europe has created a toolbox of benchmarks and values that are common for every candidate but, fortunately, not a straightjacket approach as to how these objectives can be pursued in relation to each specific candidacy.

However, there is a flip side to the enlargement process that merits our consideration; how the EU in itself is being reshaped by being engaged in the enlargement process. This paper's contribution is to precisely focus on this question, that is, how the question of "what is Europe" has a bearing on how Europe grows. Through this lens, two observations are well worth making:

i. First, an assessment of the costs and benefits for newcomers in the EU has not been made and cannot be made. Research and policy analysis focus on the theme of monitoring the transformation that does result from membership or, more precisely, from the period of accession negotiations to the aftermath of gaining full membership. This is because the "opportunity cost" of not joining the EU is essentially a "what would have happened if" question, that is, a venture in political imagination which is methodologically impossible to pursue. Therefore, joining the EU requires not only the sheer determination to undertake nut-and-bolt economic, social and political reforms, but also a leap of pure faith in the prospects of the European integration project as such.

ii. Secondly, the most obvious answer to the "what is Europe" question is "the *acquis communautaire*", that is, a body of norms and practices that each newcomer is required to take as a *fait accompli*. This body of normative experience is not of consequence merely for the EU or the European Neighbourhood. In the not so distant past, there have been those that credibly argued that the EU was emerging as a type of normative superpower, leading the way in global canons of governance (Ian Manners 2002). One of the difficulties with this normative heritage is that it comes at the price of accepting the reality of a "democratic deficit" or a political process driven by "permissive consensus" rather than direct legitimisation. Europe has for decades been seen as a project for its people, but also despite its people.

Therefore, when addressing the question of where does the process of European integration take us, we are in fact dealing with two interrelated levels of analysis. On the one hand, we address challenges relating to nut-and-bolt questions of governance, arising from the specificity of the polity which aspires to join the EU. In this scheme, this is an exercise of placing the aspirant member in our normatively delineated procrustean table. On the other hand, there is always the question of what the new member(s) effect will be on the already established protocol of cooperation in this complex and unique post-nation-state polity. Decoupling these two levels of analysis is a sterile methodological approach, yet inevitably the two challenges are interconnected. Distinguishing, however, between "our structural failures" and the prospective member's "functional shortcomings" is vital in revaluating the future of our enlargement policy. After all, with every enlargement, we face the question "what is Europe after all."



FOCUSING ON THE CANDIDATE'S SHORTCOMINGS: THE FUNCTIONAL APPROACH

The EU has achieved a critical mass of membership so that very few states can make a dramatic difference in its internal functioning. The fear that Byzantine bureaucratic processes might become dysfunctional – because they often depend on consensus – was very real as the EU was heading towards the "big bang" enlargement of 2004. Since then, a number of studies indicate that proceeding with "business-as-usual" has been a challenge that the EU was able to successfully address (Best et. al. 2009, Wolfgang Wessels 2008). It has been noted that newcomers into the EU very quickly adapt to the political landscape they encounter; parties find their place in the European Parliament; in the Council of Ministers countries find time-tested alliances and join them; Commissioners empowered by ample and adequate technocratic support can effectively respond to admittedly high expectations. The functioning of new member states within the established institutional framework has been a challenge no greater or smaller than the functioning of old(er) member states.

Where concerns persist and have in fact intensified is the ability of EU institutions to effectively monitor the process of member-state-building on a micro-governance level. Again, this is a concern that holds for new members as well as old. An enduring theme in this context is the concern for façade reforms versus presumably substantive reforms; real compliance versus presumably lip service compliance with norms and regulations; keeping the house in order versus a tendency for keeping up with appearances. Ample examples on this front are offered by a recent and rare "evaluation study" conducted by the Trans European Policy Studies Association (Ibid. Avery, Baber, Schmidt 2009), where concerns are raised about high level corruption, rule of law structures, or the proverbial inability to tame the black market economy in terms of labour market supervision or tax evasion. However, similar and comparable concerns can be raised and have in fact been raised for older member states.

The normative foundations for the admittance of new candidates are the Copenhagen Criteria. This includes requirements such as stable institutions guaranteeing democracy, the rule of law and adequate human rights protection, and a fully functioning market economy. Following these founding pillars for the construction of a successful candidacy, successive communications from the Commission reflect on how the accession negotiations process can become more efficient (Communication from the Commission 2009). Enabling the Commission to affect a deeper surveillance process always comes on the top of priorities in this respect. The list then extends into a process of technocratic empowerment, including the strengthening of financial pre-accession instruments or post-accession monitoring. Recently, the Foreign Affairs Committee of the European Parliament held a workshop on enlargement, which following precisely this line of reasoning, elaborated on the need for a thorough and across the board benchmarking system for each negotiated chapter, on the increased use of strengthening programs and on the improvement of interparliamentary cooperation (AFET Workshop, 27/03/2012). However, the question may also be raised as to whether it is a sound assumption to hold that normative and political alignment is in general a unidirectional progress-path. For instance, many benchmarks of competitiveness, rule of law standards and practices may, at times, leave a lot to be desired, especially when states undergo a severe crisis. In sum, the quest for ever closer union does not reach a definite climax at the moment of accession; it is rather a continuous struggle that transcends the scope of effective monitoring.

Nonetheless, the process of monitoring can always be improved. It is possible, following this line of reasoning, to ensure the efficiency of the accession process

by politically revisiting the objectives and means of negotiation. For instance, it has been suggested that measures to ensure economic dynamism should be accompanied by widening the "accession toolbox" so as to integrate aspects that prepare the candidate state to embrace the European Social Model. This could be achieved by developing a set of social standards in Chapter 19 (Social Policy and Employment), specifically designed to monitor benchmark criteria in labour law, such as female participation in the work force, health and safety standards in the work place or anti-discrimination law. The overall objective would be to address the danger of social dumping, which the enlargement process can potentially accelerate by inflicting the EU labour market with a race-to-the-bottom dynamic. As regards the need for such political reflections, there is ample evidence provided by the Decent Work Balkan Network report (SOLIDAR, February 2012), addressing the theme of the (lack of) proper work standards in the Western Balkans. However, a word of caution is needed here, as certain political requirements from different accession negotiation chapters may cause contradictions. For instance, macro-economic stabilisation often requires a painful process of deregulation, which cannot be simultaneously achieved with labour market regulation. Ultimately, whether we are willing to admit it or not, enlargement is not a technocratically sanitised process of monitoring and ensuring functional interoperability. It is chiefly a political process with priorities, common in theory, but also customized in their application to each candidate.



FOCUSING ON INSTITUTIONAL STRUCTURES: THE CONSTRUCTIVIST APPROACH

Inevitably, as the EU enlarges, the politically prevalent question has been whether it will be able to "function." On the other hand, the recent economic crisis has brought to the fore questions that are more substantive, namely whether the EU can be more than the sum of member states that simply coordinate their policies. Historically, this question was dealt head on until the middle of the 1980s. In the year 1973, which brought in the British, the Danes and the Irish, not only a European Regional Fund was created, but also the Common Agricultural Policy was reformed, introducing direct subsidies to farmers in 'mountainous and less-favoured areas.' The arrival of Greece in 1981 and of Spain and Portugal in 1986 led to initiatives for a substantial 'cohesion' policy as a condition for realising the Single Market. These were policies that specifically targeted the issue of unequal development via redistribution. More significantly, these policies were responsive to the need for ensuring the integrity of the European structure rather than merely its functional interoperability. Thus specific challenges presented were treated not merely as individual member state "failures," but as challenges to the European architecture as such.

As enlargement proceeded during the 1990s and throughout the 2000s, this structural approach was separated from the process of enlargement. In assuming the role of a gravitating and reformative force, the EU proceeded with structural reforms that were presented more as a parallel process, that is, a procrustean normative landscape, where aspirant members should "fit," rather than reforms responsive to the particular challenges faced by the different candidates and their regions. In this scheme, demands for macroeconomic adjustments presented to states with transition economies were not in the least more lenient than those with which older member states were presented with. This resulted in a series of "shock therapies" with grave socioeconomic consequences. Current account imbalances, a rapid wave of deindustrialisation, high levels of structural unemployment and mass migration were often treated as unintended, albeit, necessary side-effects of necessary reforms. We did not have a policy as bold as the Common Agricultural Policy had been at the first stages of European integration, specifically geared towards Europeanising the context of facing state-specific or region-specific structural weaknesses. Pre-accession funds might have cushioned some of the effects of early shock therapy approaches, but they have been focused on institutional reform rather than the Europeanisation of the transition challenge.

As a result, as the process of European integration proceeded with a parallel path, it gradually became evident that certain structural imbalances were affecting the structural cohesion, rather than the smooth functional operation, between old members as well as new. For instance, the European Monetary Union decreased the cost of borrowing, causing the real estate market to overheat, which created a number of structural deficiencies for the banking sector. The effects of this process have by now been amply demonstrated. Corporate tax regimes differed sharply, which caused a race-to-the bottom competition between old and new member states seeking to attract investment and tackle chronic unemployment. Therefore, smooth functional continuity did not harness the forces undermining structural cohesion.

As a result, the European Social Model has been challenged. For instance, what is arguably one of the most successful systems in Europe in addressing the harmonisation of state-and-home obligations via generous benefits for women and maternal care – also addressing the issue of demographic stagnation – may now be challenged. Moreover, tackling chronic unemployment was often based on strategies that compromised working conditions, such as for example reducing added costs (social insurance) for new entrants, especially youth ones. There were even EU-sponsored programs based on the principle of social insurance subsidies, which hardly ever resulted in the "recycling" of unemployed youth. Another example is how EU policy facilitated a number of on-the-job training opportunities, without creating European-wide benchmarks and criteria for the definition of what constitutes "a training condition," thereby creating an environment where youth were employed without social benefits or minimum wage rights under the pretext of "education." Generally, the job market was allowed to sustain high levels of employment at the expense of quality of working conditions, favouring, for example, part-time over full-time employment. As a result, the EU has acquired an ever greater number of working-poor, especially amongst the ranks of youth.

With each wave of enlargement, competition for jobs and investment increases and, perhaps, accelerates the pace of this process. With chronic unemployment in older member states, such as Spain, Portugal, Italy and Greece, as the precariousness of working conditions increases, it is hard to imagine how the EU can effectively tackle even more precarious working conditions in the Western Balkans. This also brings to the foreground a number of related structural problems, such as brain drain from candidate and new member states, often in the form of unskilled work in old member states, a phenomenon that has tremendous productivity consequences in terms of deskilling and loss of social capital. This is already becoming evident as structural reforms in states faced with fiscal difficulties are invited to decrease their social protection benchmarks

in order to match "the competitiveness" of new member states. In sum, rather than working for the Europeanisation of Balkan labour markets, we run the danger of structurally adopting the lowest common denominator so that the European labour market is gradually Balkanised. Clearly, in view of these developments, the European Social Model is being faced with unprecedented challenges.

The functionalist premise usually holds that integration in one policy area creates a spill-over effect, causing member states to coordinate policy in another, thus paving the way for an ever closer union. However, recent experience demonstrates clearly that this spill-over effect is not automatic, does not have a singular and linear direction and the effects of a perceived "spill-over" are not felt equally amongst member states or regions. Enforcing a strategy of social benchmarks in the accession-negotiation agenda is thus not merely an "added obstacle" for candidate states, it is also an opportunity to reflect in structural terms how to address the Europeanisation of markets – including the labour market – without an equivalent force that can Europeanise the market's regulatory system. Deregulation facilitates functional interoperability; but without some sort of counterbalancing Europeanisation of regulatory frameworks, a number of forces cannot be tamed, to the detriment of the structure.

BETWEEN STRUCTURE AND FUNCTION

Enlargement has proved not to be a major obstacle to the EU's functional integrity. The question may still arise in functional terms when a state of the size of Turkey is being considered for membership. However, the rather successful and relatively smooth inclusion of Poland indicates that the EU is institutionally well equipped to transcend similar challenges. And in any event, if the global economic crisis with its particularly European dimension of a public-debt/banking crisis has taught us anything, it is that functional integrity does not necessarily mean structural cohesion. New member states do not simply add a vertical chapter in a horizontal set menu of policies; they change the scale of governance and, inevitably, the opportunity cost of policy failure. With each newcomer into the EU, there are new concerns about the ability to sustain the volume and size of market forces that have been consolidated in an ever more unregulated policy framework.

The consequences of these developments are obvious. What is less obvious is how to respond. Undoubtedly, the issue at hand has exceeded the EU's ability to deal with the challenges of a specific candidate. Opt out systems and vetoing the full implementation of all freedoms – such as the freedom

of movement – are instances that highlight the increasing inability of the EU to address themes of socioeconomic cohesion that undermine the structural rather than merely the functional integrity of the EU. The spill-over is a fact; its recognition in political terms is still contested. Failure to produce answers on this basic level of social cohesion has already created volatility in the political landscape of member states, as they do not have the means of addressing specific socioeconomic challenges, whilst a European structure to address such grievances is not in place either. Increasing electoral volatility, xenophobia, the rise of anti-systemic forces, including those of the nationalist far right, might be related to this phenomenon. As we grow, so does our might, but so are our weaknesses elevated to a different scale and volume.

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Regional Cooperation as a Condition

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The Western Balkans is a unique region in many respects. It is a rich and colorful mosaic of different histories, cultures, traditions and identities. Throughout history, the Balkan region has been an important crossroad of economic, ethnic and cultural links between the East, West, South and North, leaving many traces in the region. The region's problems, its instability and insecurity have defined its image throughout the centuries. The bloodshed, which occurred in the last decade of the 20th century has even further divided the region and its peoples along ethnic lines. The healing of war wounds will take a long time and maybe will require a whole new generation before true reconciliation can take place. The divisions can be overcome only by a common goal - that is bringing all the countries closer to the EU.

The pace of the future EU enlargement process will be determined by several factors. Firstly, it will depend on the readiness and the commitment of the EU to further enlarge after Croatia becomes a member State in July 2013 - knowing that the EU is at the moment very much hampered by the economic and financial crisis - and secondly, it will depend on the readiness of the countries in the region to meet all the criteria for EU membership.

Today, the Western Balkans are at the centre of the EU's enlargement policy. At the Thessaloniki summit in June 2003, the EU reiterated its commitment that the future of the region lies within the EU, and that its European perspective is clear. The EU so far has made some political efforts to encourage democratic developments in the region but much more is needed. Since 1991, the Union has been the largest donor to South East Europe. However, due to the debt crisis and the difficult economic situation many are sceptical about the pace of future enlargement. *Enlargement fatigue* has been exacerbated by mixed and confusing messages coming from Brussels. Croatia's accession to the EU, though, will be an important message to the region showing that the process is

still alive. Nevertheless, it is uncertain at what speed it will continue. Support for further enlargement is, logically, more present in the Central and Eastern European countries that joined the EU in 2004 and 2007. These countries still have very fresh memories of becoming part of the bigger European family and of passing the membership exam. More hesitant are the bigger and older countries of the Union, partly because they have difficulty with the financial burden and because of the corruption and organised crime in the countries concerned. They, however, are the ones that navigate the race and decide on the winners and losers.

THE INTEGRATION OF THE WESTERN BALKANS INTO THE EU - REGIONAL COOPERATION IS A PRE-CONDITION

Regional cooperation in the Western Balkans is crucial for stability; it is an important catalyst for reconciliation among the countries of the region and it is a test in order to prove the capacity to conduct good political, economic and social relations with neighbours. Having been made a pre-requisite for integration by the EU, regional cooperation is considered compulsory for the countries of the region wishing to become full members of European Union.

Reforms based on European standards are of crucial importance to the region's stabilisation and development. The progress in this area is in the hands of the responsible politicians and it is for the sake of their citizens that they have to fulfill and implement all the necessary reforms. Youth should be one of their priorities. Young people need to have a clear perspective and the governements should create the environment which provides reasons for them to stay in their country and find jobs. It is important to bear in mind that delaying the enlargement process would have significant negative political, economic and psychological implications for the countries concerned and would have a negative impact on European security.

The region still has to tackle major problems such as ethnic intolerance, organized crime and widespread corruption, which slows down the implementation of their EU agendas. In the past, the process of integration has always had a positive influence on the development of democracy in the accession countries. It is obvious that progress of regional cooperation cannot be separated from the broader political and security context. Regional cooperation is extremely important for the Western Balkans to prevent violence or the deterioration of inter-ethnic relations. The objectives of regional cooperation include countering nationalism, fostering good neighbourly relations, increasing prosperity, developing the multi-level integration of fragmented transport systems,

enhancing security in the region and fighting organised crime, corruption and illegal trafficking. The fight against organised crime remains an important priority for the enlargement countries.

It is closely linked to the fight against corruption and to establishing independent judiciaries. The cross border nature of many criminal activities poses a major challenge to the Western Balkans. Regional cooperation between law enforcement and judicial bodies, including the creation of professional networks, is particularly important for addressing this challenge.

A lot of progress has been made in the last decade. The Brdo-process, an important initiative, launched by Slovenia and Croatia a few years ago, brings regional cooperation to a higher level. Slovenia has intensified its efforts to reconnect to the countries of the Western Balkans that were once part of Yugoslavia, with the aim of increasing both political and economic stability. On 20 March 2010, Slovenia and Croatia hosted a conference, which brought together almost all the leaders of ex-Yugoslavia. The process was an informal one but it seems that the cooperation has broadened since then. It needs to stay alive.

Good neighbourly relations are essential elements of the Stabilisation and Association process. Regional cooperation and trade can only bring benefits to the region. It is also an integral part of the process of integration into the EU. Significant progress has been achieved and further important steps have been made in the past year. Visits by leaders of the region, in particular presidents Tadić and Josipović, to neighbouring countries, as well as statements made and resolutions adopted on the conflicts of the 1990s have contributed substantially to regional reconciliation.

The Sarajevo-process on refugee return involving Serbia, Croatia, Bosnia and Herzegovina and Montenegro has been successfully completed. Initiatives of NGOs and civil society organisations, such as the Youth Initiative for Human Rights, the Truth and Reconciliation Commission (RECOM), and the Igman Initiative play an important role in enhancing reconciliation - beyond governments - among the citizens of the region.

A very important step on the road to EU membership was the abolition of visas for five countries (Serbia, Montenegro, Macedonia, Bosnia and Herzegovina and Albania). Tearing down the visa walls has opened the way for free travel of the people from the region, which is extremely important especially for the young generation and for people with limited means. It has significantly improved people to people contacts. Visa liberalisation has also paved the

way for tighter economic, political and social cohesion and cooperation. It is of utmost importance that Kosovo also gets a Roadmap for a visa free regime. The country is the only one left behind the visa wall - a black spot on the map of the region. It is not only important for people of every generation to be able to travel freely - as freedom of movement is a fundamental human right - it is also a precondition for good day to day contacts, economic and political development and social interaction. In the longer perspective, if Western Balkan countries want to become full EU members, they need greater understanding among themselves in order to get the overall benefits of membership. It will be a test for maturity and for their ability to negotiate common positions and raise common concerns with other member sates. It will entail, in fact, a complete change in society.

THE PACE OF THE FUTURE ENLARGEMENT PROCESS

Despite the global financial and economic crisis the EU has maintained its commitment to the enlargement policy with regard to the Balkan peninsula. The Western Balkans of today are very much different from what they were a decade ago. Croatia has signed the Accession Treaty to the EU and its full membership will start on 1 July 2013. The country is expected to play a leading role in regional cooperation in the Western Balkans' regional cooperation and to support its neighbours with good advice, as it has experienced a complete transformation during the negotiating process. Croatia joining the EU will give the much needed *wind in the sails* for other Western Balkan countries waiting to become full members of the European family.

Ultimately the future of enlargement will depend upon the pace of reforms in the countries concerned as it will be based on the countries' own merits. The open questions and bilateral disputes between the neighbours must be resolved through dialogue and be settled before joining the EU. Let us recall the border dispute between Slovenia and Croatia, which became a European problem. Slovenia put up obstacles in the negotiations with its neighbour thereby delaying its accession. We hopefully all have learned a lesson from this episode. The problem was eventually solved with the arbitration agreement, which I expect both countries will respect and follow through all the agreed steps. Both Croatia and Slovenia have held elections recently and a change of governements has occurred. It is important that the good neighbourly atmosphere continues as people on both sides of the border wish to live and work closely together. Once Croatia has entered the EU, economic cooperation will see a sharp improvement which is important for both countries.

It is important that the EU keeps enlargement high on the agenda. We have experienced lately that due to EU hesitation support for European integration amongst the people in the region has significantly decreased. Many people have the impression that the leading role in the region has been taken by other foreign powers. The countries of the EU have to speak with one voice and remain a credible partner, which not only makes promises but delivers as well.

The situation on the ground varies enormously from country to country. This means that a one-size-fits-all approach is not a good option and that the EU should choose a customised approach for each candidate country.

Recent recommendations and reports of the European Parliament encourage all the Western Balkan countries to pursue the reforms necessary to be able to join the EU, and demand that the 27 member states do more for their integration. For example, the name dispute between Macedonia and Greece must not remain the obstacle for starting negotiations. I very much welcome the High Level Accession Dialogue recently proposed by Commissioner Füle with the government in Skopje. The most recent European Council decisions on the Western Balkans sent powerful signals to the region. The Council recognised the progress made in Serbia and gave the country candidate status. Belgrade-Pristina talks need to continue, however, in order to find solutions for people's everyday problems, but sooner rather than later they need to start dealing with the status of Kosovo. Montenegro is seen as a story of success and it is high time that the country is allowed to begin the negotiating process to join the EU.

Some countries – Albania and Bosnia and Herzegovina – are lagging behind. In spite of the progress achieved in the harmonisation of legislation with European standards, the fight against corruption and organised crime remains one of the main issues Albania has to deal with. There is a lack of dialogue amongst the leadership of the country which endangers the EU accession process. Bosnia-Herzegovina is still an ethnically divided state, unstable from an economical and political point of view, without having developed, yet, a full capacity to govern itself. The Dayton Peace Agreement has not been implemented fully and the same applies to the reforms required by the EU because of the disagreements between the political leaders of the two entities that compose the federal state - the Bosnian-Croat entity and the Serbian one. If Bosnia and Herzegovina does not solve these problems it will find it very difficult to be accepted in the European Union.

Kosovo is an integral part of the EU's Western Balkans enlargement strategy. The EU may have left the status issue – whether or not to recognise its independence - to individual member states, but the EU as a whole has made it clear that the future of Kosovo is European regardless of its present situation. Kosovo is the only country not having any contractual relations with EU. I very much welcome the European Commission's efforts to put the youngest Western Balkans state on the track towards visa liberalisation. The country faces 45% unemployment and is generally underdeveloped. Many people feel that Kosovo has entered the dialogue with Belgrade only to pave the way for Serbia's EU candidate status. There is a negative perception of the EU, which has lost credibility because it is considered to be too soft in dealing with the Kosovo issue. To regain confidence the EU should use the study process aimed at investigating the feasibility of a treaty with Kosovo to set it on a track towards first contractual relations with EU.

THE SITUATION OF THE MEDIA

There is another particular problem that the countries of the region have in common - the lack of freedom of expression and media pluralism. Freedom of the media is a fundamental right, safeguarded by international law and duly enshrined in Article 11 of the Charter of Fundamental Rights of the European Union and in Article 10 of the European Convention on Human Rights and as such it forms an integral part of our concept of a pluralistic democracy. It "*creates the environment, in which the protection and promotion of all other human rights become possible*".

With regard to the enlargement countries, they are all perceived as having pluralist media landscapes. In practice, we are witnessing negative developments in this area. This is a source of serious concern. The media environment is undergoing fundamental changes everywhere in Europe.The main challenges to freedom of expression are political interference and pressure on media outlets and journalists such as the use of criminal and corrupt methods to influence the media, the promotion of self-censorship and also brutal attacks on journalists, as we have recently seen in Montenegro. There is also economic pressure on the media and we find a lack of transparency and a concentration of ownership. On the other hand, we have to admit that journalists are often badly organised, are not very professional and lack proper self regulation. In some candidate countries, the overall implementation of media legislation is not satisfactory. The EU should not accept this and help to introduce good practices and better journalistic ethics.

CONCLUSION

Some urgent questions remain. How can we improve the credibility of the process and what can we do with *enlargement fatigue*? How to manage the expectations of the countries concerned when the slowing down of the process creates dissatisfaction and a lack of faith in the EU agenda in Western Balkans' societies? How can we combine fairness with a clear perspective and concrete progress on the ground? How can we encourage the young generation to work together for a common European future?

The EU is determined that the future of the whole region lies in the Union. We still face important challenges: good governance, rule of law and respect of human rights. Together with the local leaders, non governmental organisations, as well as the civil society, the EU has to strengthen the ability of governements to explain better the benefits of membership. Open bilateral issues, including border disputes, need to be solved by the parties concerned, in a good neighbourly spirit and taking into account overall EU and mutual interests. New opportunities to focus on a number of priorities that can help the social and economic development are at these countries' fingertips. Therefore, they need to pursue the reforms. They have a real and positive intrinsic value and therefore are not only just in the interest of Brussels. By moving closer to European standards and values, the countries will ensure a safe and prosperous livelyhood.

It is an EU responsibility to remain committed to the enlargement process. It is the governments' responsibility to strengthen regional cooperation and implement European principles and values. The Western Balkans have always been a part of Europe. There is no other alternative for the region. In today's globalised world we need each other more than ever. We all face the same challenges of the 21st century. Further integration is the only way forward for our continent. The EU needs the Western Balkans as it needs European integration if we want to become a stronger European Union in order to be able to face the rise of other powers. We should join all our efforts to admit the countries of the region to the EU as soon as possible and thus ensure safe and prosperous lifes for their citizens. Responsibility is required on both sides; the enlargement process needs to deliver good neighbourly cooperation. What we aim at is especially important for the young and future generations - we must not allow them to get lost in a limbo of not knowing where to go. Too many opportunities have already been lost in the past. There should be no place for divisions, inequality, nationalism, hatred, discrimination or xenophobia in our European societies. We have the same goal – a common, safe and prosperous European future.



Looking Ahead: Summary and Conclusions

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To try and summarise the contributions to this book would not do justice to the authors who have looked at the enlargement process from a broad range of angles, albeit many of them with a progressive bias. However, a number of issues have been highlighted in the articles and deserve attention in this summary. The Copenhagen Revisited project of FEPS, EFDS and S&D Group – as described by Ernst Stetter - is based on the assumption that the context of EU enlargement has changed considerably over the years and that a critical evaluation is called for. The aim is not to formulate new obstacles but to get a better picture of the state of play which in its turn will help to move the enlargement project in a successful direction while enhancing its credibility. The criteria for EU membership of new democracies were formulated at a summit in the Danish capital in 1993 – with additional conditions for the Western Balkans as stipulated by the Stabilisation and Association Agreements - and it is appropriate to discuss how they should be interpreted in 2012. I should, however, not forget to mention at the beginning of this chapter that enlargement as such is almost a way of life for the EU today as it was also for its predecessor, the European Community. It is, and was, in the words of Štefan Füle, part of their DNA.

As Lena Hjelm Wallén and Hannes Swoboda indicate, the European social democratic family has been a staunch supporter of enlarging the EU to the East and South East taking an active part in the decision-making in the national capitals and in Brussels. That still being the case as confirmed by Sergei Stanishev, social democrats should be ready to investigate the best way to continue the process. Maja Nenadović analyses the results reached so far – a successful combination of active foreign policy and transformative conditionality - and outlines the particular situation with regard to the ambitions of the Western Balkans. Others (Tanja Fajon, Krenar Gashi, Tanja

Topic and Radmila Sekerinska) also paint the picture of this region and its specific problems which are often related to the way in which Yugoslavia fell apart. It is ironic to conclude that a geographic area that was considered to be rather liberal in communist times, to a large extent missed the enlargement boat at the beginning of this century, with the exception of Slovenia. This was of course due to the violent conflicts in the last decade of the 20th century. The legacy of these confrontations still haunts the region. The continued ethnic strife in Bosnia and Herzegovina (BiH) and between Serbia and Kosovo, has caused a great backlog in terms of reforms and therefore of weak states that are not able to cope efficiently with corruption and organised crime. The situation is more complex than the one the EU was confronted with when it was negotiating membership with the East European countries that joined in 2004 and 2007. Local politicians in particular have difficulty coping with EU conditions that touch upon identity issues, like the demand to cooperate with the International Criminal Tribunal for the former Yugoslavia (ICTY) in The Hague and distance themselves from past atrocities. Some of their hesitations can also be explained by the fear of personal consequences if the anti-corruption measures demanded by the EU become effective.

But the specifics of the region are not the only cause of the slowing down of the enlargement process. Many things have changed within the EU as well. To start with, there is the scepticism of public opinion towards enlargement and the reservations of many EU citizens regarding the accessions of 2004 and 2007 and the possibility of Turkey joining the EU. Although this so-called *enlargement fatigue* has a more general background of a growing euro-scepticism, it has forced policymakers to frame enlargement differently by introducing a much stricter conditionality in the approach to candidate countries- in a sense less political, more technocratic and interest based. Lessons learned (see the articles of Andras Inotai, Kristian Vigenin and Vasile Puşcaş) in fact underpin this new attitude. It is better to take some more time and make sure that applicants are fully ready to accede than to let them join without being properly prepared. This was the case when Romania and Bulgaria joined the EU. To cover the remaining weaknesses, these two countries became subject to special monitoring after accession. Five years later, one can question the effectiveness of this method and the EU has carefully tried to avoid making the same mistake with Croatia. In future negotiations, the most difficult chapters will be opened first and this correlates with the findings of many authors in this publication. The rules and implementation based approach (well-described by Wolfgang Nozar) has a certain logic but the emphasis on the reform of the judiciary, freedom of the media and the fight against corruption and organised crime (chapters 23 and 24 of membership negotiations) has a reverse side to the coin which tends to be ignored by the EU. A 100% readiness implies that

present member states live up to the same standards as those demanded of candidate countries by the EU. We all know this is not true - see the recent examples of Hungary and Romania - and either we make this implicit in the negotiating process – and be more flexible - or, preferably, the EU introduces a better monitoring of existing member states on issues like corruption or media freedom. A policy of double standards diminishes the credibility of the EU. Currently, for instance, there is a strange contradiction between the tough and specific demands on euro zone countries that receive financial support on the one hand, and the weak reactions to, for example, anti-democratic behaviour of the Hungarian government on the other. Another example is the question of minority policy (dealt with by Judit Tánczos) where before accession the EU can be very demanding (like on the situation of the Roma) but afterwards "forgets" to monitor the follow up of promises made by new member States (NMS). This can happen thanks to the unfortunate EU tradition not to interfere with national minority issues.

That one has to learn from past mistakes is not disputed. Inotai, Puşcaş and Vigenin give recommendations how to best conduct negotiations with the EU. Nobody contests the new emphasis in membership negotiations on implementation capacity and track records in all areas. This will increase preparedness and help forestall situations like the insufficient use of EU funds by NMS.

Eleni Koppa addresses the interesting question of how enlargement affects the process of European integration. Although the integration of the NMS into the EU institutions has gone smoothly and the impact of membership has been big in these countries, they have changed the character of the EU positively by making it a bigger player but also negatively by strengthening the market bias of the EU. Within the EU no additional measures were taken to tackle the issue of redistribution in the enlarged EU as was done in the past with the introduction of the Common Agricultural Policy (CAP) and the cohesion funds – it was not deemed necessary to adapt the EU internally. This has put the European social model under pressure.

Conny Reuter illustrates perfectly in the case of the Western Balkans that when it comes to decent work, the region has not adapted to European and international standards. Jože Mencinger assesses the economic consequences of EU accessions and comes to negative conclusions as regards the results. Although Dragan Tevdoski has a more positive appreciation of the liberalisation of the markets in his region, he admits that the Western Balkans countries still have a weak economic performance. He agrees with his Slovenian colleague that they have hardly really profited from Foreign Direct Investment (FDI) in terms of greenfield investments. Mencinger writes ironically of the 'acquisition' and not the accession of NMS from Central and Eastern Europe. For new members

the next step in European integration is joining the euro zone. Only three of them have joined so far, and at a heavy price given the EMU conditions. Some, therefore, advise the NMS to take more time and adopt the euro only after having achieved a higher level of economic development and macroeconomic stability.

Although, as was for example shown in Croatia's referendum on accession, support for EU membership is still high in the Western Balkans region. Public opinion polls also offer a picture of hesitant populations partly because the process has taken so long and partly because many citizens have become less convinced of the benefits (Danijel Tadić).[1] This loss of credibility has of course consequences for the acceptance of the price of EU membership. Some politicians exploit this mood with populist, anti-EU rhetoric and use it as an alibi to avoid necessary reforms. Many authors see this as endangering the whole process and they point at the risk of a reversal due to populist nationalist trends both within the EU and the Western Balkans. Actually, this constitutes one of the best arguments for completing the enlargement agenda – only through EU membership can the region become really stable and democratic and avoid a repetition of tragic past mistakes. But as some authors argue, this will only be possible if the EU shows sufficient engagement to tackle the political problems of the Western Balkans. Demanding regional cooperation is one thing, active engagement to help settle remaining issues is another. A more active and vigilant EU would not accept the stalemate with regard to Serbia-Kosovo, FYROM/ Macedonia and BiH. Such a commitment by Brussels would certainly help the pro-European forces of the region. The EU facilitated dialogue between Serbia and Kosovo is a good example of such a positive role.

As several authors indicate, there is not always a clear picture of costs and benefits of EU accession in applicant countries. The process is often not communicated well to the population. Citizens do not always understand the character of the negotiations and politicians often give the impression that painful reforms are to be blamed on Brussels thereby negating the intrinsic value of the transformation process for the candidate member. If you want to join a club do not give the impression that you can change its rules but instead present the negotiations as they really are: screening on the basis of EU conditionality and identification of transitional arrangements.

As the current problems of some NMS with the absorption of EU funds illustrate, many NMS are not always well-prepared for the period after accession. They do not have a clear strategy on how to defend their interests in the new context. This issue deserves more attention already before accession in order to allow NMS to be a more active part of the EU decision making process.

Several authors stress the importance of a national consensus on EU accession by the main political forces. Without it, is difficult to avoid political polarisation of the negotiations but with it the transition is more manageable. The problem however is sometimes that the consensus has to be build around EU demands which especially limits the possibilities of left wing parties to address social issues given the strong market bias of Brussels.

While there is progress to be reported from the Western Balkans, this is much less so in the case of Turkey. Dimitris Tsarouhas describes the impact of the negotiations on the country so far and although he sees it as mainly positive he warns against the possibility of a reversal if the deadlock in the relations between the EU and Turkey is not solved. Although EU membership of the country remains formally on the agenda of both sides, the spirit has gone out of the process. Neither in Brussels nor in Ankara will one find much enthusiasm to restart the stalled negotiations. This can work out negatively for the democratic reform process in Turkey and undermine the strategic partnership of the EU and Turkey. The EU has less leverage and does not dominate the front pages as it did in the past. A self-confident Turkey demands to be treated as an equal player which is hardly consistent with the way in which the EU negotiates with candidate countries. One has to admit that Turkey is different from Montenegro, but it is also difficult to imagine a more flexible approach to the country given the character of the Copenhagen criteria. If the EU does choose to take a different path with Turkey this will undoubtedly raise the issue of its membership as such. Otherwise, it will have to work out another way to reach that goal and in the meantime exploit the opportunities for fruitful cooperation in areas of mutual interest.

No special attention is given in this publication to Iceland which is presently negotiating with the EU on membership. Concluding this process should not be problematic given the state of preparedness of the country. The only question is whether the Icelanders will want it in the end.

Libor Rouček, finally, makes a plea for the Eastern neighbours of the enlarged EU – we should keep a membership option open for them and give them incentives to reform their societies.

CONCLUSIONS

Looking ahead the following conclusions are relevant to the continuation of the enlargement process:

- The EU should honour its commitments to the (potential) candidate countries and proceed with the enlargement process. However, this should be done in a format that is better adapted to the changed political context in and outside the EU and which takes into account the complexities when dealing with the Western Balkans and Turkey.

- The implementation based approach of the EU deserves support since it will lead to a greater preparedness of applicant countries and will help avoid ing transitional arrangements that are difficult to monitor.

- On the basis of lessons learned, the new emphasis on negotiating chapters 23 and 24 is a logical step.

- Respect for the rule of law and freedom of the media can only be credibly promoted by the EU if it is prepared to be also more critical of existing member states that do not meet the standards. Appropriate procedures should be developed for EU internal scrutiny. While the European Commission has the possibility to use the special monitoring procedure to put pressure on Romania and Bulgaria, this instrument does not exist for the other 25 member states.

- Candidate countries should emphasise more to their citizens that the EU induced reform process has an intrinsic value. It simply creates better functioning societies.

- Under pressure from more sceptical public opinion and some of the unforeseen and negative consequences of earlier enlargements, the EU has adopted a less political attitude towards enlargement by no longer highlighting only the political motives for and the inherent advantages of the process, but also adopting a more technocratic and merit based approach and a much stricter conditionality. Although understandable under the circumstances, it might reduce the confidence in the countries concerned.

- The present enlargement round suffers from a lack of enthusiasm on both sides. This damages the credibility of the process and creates a lack of perspective that is exploited by politicians who oppose reforms or who

promote an extreme nationalist and populist discourse. This can become a danger to the stability of the Western Balkans region since it undermines the accession processes and complicates regional cooperation.

- Responsible politicians should present EU accession for what it is: accepting the norms and standards of the EU. They should therefore not simply blame Brussels for painful reforms but point at themselves and their ambition to join the EU. Specific national interests can be taken into account and translated into negotiated transitional arrangements and they should of course be the focus of national debates, albeit within a framed consensus protected by all relevant political actors.

- The economics of enlargement can not be called purely positive. The expanded market has led to increased trade opportunities and to real additional growth in old and new member states. But there is a downside in those countries that were not able to profit from real greenfield FDI and saw their markets weakened by outside competition and a lack of possibilities to strengthen the local production base. New member states and candidate countries are subject to the financial and economic regulations of the EU, which undermines their macro-economic flexibility. This explains the hesitations of many NMS with regard to joining the euro zone.

- Whereas in the past, redistribution instruments like the CAP and the cohesions funds were created to help newcomers and to protect weak economic sectors, this has not happened for the more recent enlargements. New members have to make do with existing arrangements and abide by the market bias of the present EU. This not only limits their capacity to close the income gaps, but forces neo-liberal policies upon them, thereby undermining the social cohesion of the EU as a whole.

- A social dimension should be added to the Copenhagen criteria which will allow to make the social inclusion of vulnerable groups like the Roma an integral part of the enlargement process.

- It is obvious and well understood that the EU will not import the regional conflicts that mark both the Western Balkans and Turkey. Be it the Cyprus issue, the Serbia-Kosovo conflict, the name issue concerning FYROM/ Macedonia or the fragility of BiH, they will have to be solved before accession. While the new conditionality of the negotiating processes does not allow for political interventions anymore, this should not be the case for getting rid of the regional political obstacles.

- Applicant countries in the past developed a concrete strategy for EU accession, but they forgot to do the same for actual membership. This had administrative implications like diminished access to EU funds but also made them – at least for a certain period - policy takers instead of policy makers.

- The EU has to manage the ambiguity in its relations with Turkey and the Eastern Partners in such a way that the door to these countries will not be completely closed. While EU membership seems far away, Brussels should not block future options because the political context may change after the EU has solved the crisis in the euro zone and the global power shift, which is at present reducing the role of the EU, should be taken into account.

Bibliography & References

1. Though many opinion polls reflect this attitude, it should be seen as an element of the process and therefore changeable. When it came to the real decision the citizens of Croatia voted in large numbers for EU membership.

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In 1993 the European Union took the decision to open its doors to the new democracies of Central, Eastern and South Eastern Europe. Eight of them joined in 2004 and two more in 2007. However, the most ambitious European project ever has yet to be concluded. This book examines the state of play anno 2012. What have we learned from earlier accessions and how does this affect the perspectives of the remaining (potential) candidate countries? What explains the much stricter conditionality of the EU and what is the role of public opinion? Why is the situation with regard to the Western Balkans and Turkey more complex? What is necessary to successfully realise the commitments made by the EU to the countries that aspire to become members?

This book offers a progressive view on the enlargement process based on the conviction that without the courageous decision of the Copenhagen summit of 1993 Europe would be worse off.

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