

PERSPECTIVES OF THE EUROPEAN ENLARGEMENT PROCESS – BETWEEN REFORM AND CRISIS

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Abstract

The European Union has gone through several crises in the past decade, which showed the divides and the need for reforms. The enlargement process did not stop, but is slowed due to the level of preparedness of the Western Balkans counties and the lack of consensus between the EU Member States. Additional concerns are present due to the different views of the largest members stated and their calls for a multi-speed Europe. The space for enlargement which would be left for the new EU Commission is getting narrow, in times where the EU elections and Brexit are raising tensions and uncertainty. What should be the answer of the Western Balkans countries?

Key words

Enlargement, Western Balkans, European Union, reforms.

As the topic of the enlargement became visible again in the recent years, many questions and concerns arise when we think how this process should be accelerated and continued. In these times of constant crises and lack of real leadership in the European Union, it is good to go back some years and think about the serious challenges which the European Union faced in the past, starting from the Greek debt crisis, Ukraine's civil war, migrant crisis, Brexit, the rise of the anti-EU political movements, continued Russian meddling, American turn to themselves and shaken Euro-Atlantic ties, and the East and West divide inside the European Union itself. The European Union has struggled to deal with all of these issues and its consequences, but

always paid the high political and financial price for its complicated internal setting and diverse opinions.

Thanks to Brexit, one of the still pending issues in this basket of challenges, the value of the European project is coming into a full view. For an average European, the technical details of the economic integration have been invisible to the naked eye, and they haven't been well presented to the ordinary EU citizens. Far too few Europeans know in any detail what the EU contributes to their lives.

The EU governments have long resisted reform of its 60-year-old mechanisms. Now the pressures for change are intensifying. In economic terms, Europe is doing well, and continues to quietly chalk up cooperation and consensus on innumerable fronts. But politically it is still in trouble, with extremist politicians who are snapping the heels of the mainstream parties, expecting the results of the 2019 European elections.

In 2018, the new Enlargement Strategy for the Western Balkans¹⁷ was presented, and a EU-Western Balkans Summit was held in Sofia, fifteen years after the last one in Thessaloniki, confirming the European future and commitment for the Western Balkans. With rounding up the first phase of the so-called Berlin process with the meeting in London, it showed that the level of intensity of meetings was high, but this situation doesn't mean that there will be automatic advancement in the enlargement process.

On the contrary, we have the Commission which is at the end of its mandate, and is trying to convince some Member States that the enlargement should continue, despite the ongoing issues like Brexit and migration. So it's still unclear what the real intensity of this re-engagement is, and whether the EU will finally use more of its transformation power for the Western Balkans region.

The Berlin Process¹⁸ was and still is one of the tools for transformation, reaching the end of the five-year circle. The main aim of this process was to make an additional real progress in the structural reforms, to help solve bilateral and internal issues, and reconciliation between the societies in the region. The Berlin Process happened in a time when some EU Member States turned to themselves, dealing with the above-mentioned crises in and outside EU, and deeply divided regarding the migration.

¹⁷ https://ec.europa.eu/commission/news/strategy-western-balkans-2018-feb-06_en

¹⁸ <https://berlinprocess.info/>

The process was a positive wind which dynamized the regional cooperation, announced and formed a couple of new regional initiatives, as the Civil Society Forum, Youth Cooperation Office, Transport Secretariat and others, which partially increased the level of confidence of the Western leaders towards the leaders coming from the Western Balkans.

Being fully aware of the connectivity gaps in the Western Balkan region, a connectivity agenda¹⁹ was created with a renewed focus on investment to fulfill the infrastructural gaps in the region, being complementary with the development challenges in line with the fulfillment of the Copenhagen criteria²⁰. The aim is the energy and transportation network of the Western Balkans to be timely “plugged” in the adequate networks of the European Union countries.

This money flow in the amount of 1 billion euro was secured from the Instrument of Pre-Accession²¹ (IPA II – which countries have been using poorly) and the International Financial Institutions, with national budget contributions. This amount of financial support is supposed to be “seed” money (!?), so that countries could proceed with the investment cycles in transport and energy infrastructure. As an example, only Macedonia invested around 1 billion euro in building new highways in the past 7-8 years, to continue in projected infrastructure plans in transport and energy.

Basically, the EU did not secure financial funds and resources to make a real impact and neutralize the devastating years of transition and communist rule, which besides the hostilities among the countries, made a poor impact on regional connectivity. Additionally, despite the effort of the national budgets of each country to spend the maximum on infrastructural development, a recent report from IMF²² stresses that at the current rate of progress, it would take more than 30 years to reach the average level of capital stock per capita of EU countries. The same report notes the infrastructural gap of the Western Balkans to be at the level of 50 % of the EU average.

Besides the connectivity agenda, an additional initiative was announced, i.e. the creation of the Regional Economic Area²³ (REA) among the six West-

¹⁹ <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/connectivity-agenda-2018-sofia-summit.pdf>

²⁰ https://ec.europa.eu/neighbourhood-enlargement/policy/glossary/terms/accession-criteria_en

²¹ https://ec.europa.eu/neighbourhood-enlargement/instruments/overview_en

²² https://www.imf.org/~media/Websites/IMF/imported-flagship-issues/external/pubs/ft/reo/2015/eur/eng/pdf/erei_sr_030915.ashx

²³ <https://europeanwesternbalkans.com/2018/10/24/regional-economic-area-conceptualization-implementation/>

ern Balkan countries and its multi-annual Action plan agreed at the Summit in Trieste. The aim was to make a deeper transformation and impact on the improving of the regulatory framework in the region, to develop an area where goods, services, workers, and investments can move all across the Western Balkans, improving the region's investment climate, mobility and digital integration agenda.

This initiative has been unclear since its promotion, despite the proclaimed good intention for the malfunctions of the region. While waiting for the implementation of the action plan to happen, unfortunately there will be no more workers left in the region, because they are massively leaving the region and looking for jobs, primarily in Germany, but also in other EU countries. It's worrying that even some EU countries' embassies in the Western Balkans stimulate brain drain, by giving free courses in their respective languages, especially to medical personnel. The brain drain, and the exodus of the qualified workers is reaching its peaks, stimulated by the record number of working permits²⁴ issued by the EU member countries.

The Berlin Process has brought attention and support for the situation on the Western Balkans, but the real situation hasn't changed much on the ground. It is good to have in mind that the Berlin Process is just an inter-governmental platform, with no institutions, nor a structured budget, and have showed a limited capacity for changing the Western Balkans societies. Some infrastructure has been improved, but, politically, the main issues among most of the Western Balkans countries have remained and have not improved. As a new Commission is expected to be formed in the autumn, there is not a new proactive approach for the 6 countries of the Western Balkans, with a stronger and more innovative commitment, even in some form of a new reshaped Berlin Process.

Need for a transformation with results

The resolving of the economic, social and political problems in the Western Balkans never took the desired dynamics to achieve a substantial change. First, it's the economies that are not producing enough economic growth and development. Despite the good performances during the period of 2000-2008, with solid growth numbers, this trend was not sustainable.

²⁴ <https://europeanwesternbalkans.com/2018/09/01/requests-german-working-visas-double-2018/>

Enlarging the economic exchange with the EU countries brought some EU capital in the region, but fostered domestic consumption and had a limited influence on the modernization of the economies. Additionally, there was no sufficient job creation, industrialization, and trade deficits and public and private debts risen²⁵.

Other negative trends seem to be rather static and increasing. The poor environmental awareness, followed by the low standard of the citizens, brings a highly polluted region, with enormous air pollution. Wood fuel is still a primary source of heating, which makes deforestation a serious issue, changing the landscape. Low demography, as a European trend, hits strongly the Western Balkans, and combined with the economic migration, makes the demography prognoses quite frightening.

What should be the answer of the Western Balkans countries? Of course, there are many ideas and possible scenarios, but all of them seem difficult to be realized in these challenging times for Europe.

One of the things that the Western Balkan leaders should maintain is the good communication with the European Commission and they should establish new links with the next one (mandate 2019-2023). The momentum of the awareness of the need for an integration of the Western Balkans has to be maintained, but the Western Balkan governments have to keep and increase the administrative capacity, which leads the process, taking into consideration that it lasts too long. Also, the Western Balkans leaders have to overcome old atrocities and be careful with statements which do not contribute to the confidence building in the region. They have to understand that they should give quite a bit of their political credit to the process of finalizing the conflicting Western Balkan puzzle, and not calculate that their successors will do the job for them. The European Union will not accept countries which still have unsolved disputes with their neighbours.

All the enlargement strategies will be irrelevant, if the economic prospects of the Western Balkans countries don't improve and reach the EU living standards. Financial assistance needs to be increased, and the countries' internal drivers of growth, like infrastructure, should be reinforced with investment in education, research and development, support for small and medium enterprises, digitalization and establishing solid health and social infrastructure.

²⁵ Bonomi, M. and Reljić, D. (2017). The EU and the Western Balkans: So Near and Yet So Far. Stiftung Wissenschaft und Politik (the German Institute for International and Security Affairs, SWP) December 2017.

The need for institutional capacity reinforcement and better public administration management is reaching out to the political leaderships governing the countries. An increase of the institutions professionalization percentage and less influence of the ruling elites is crucial for building fair and efficient administration, with less turbulence after every election cycle. As an example, the State Election Commission of Macedonia, from the 2016 elections, was changed from being professional to be filled only with political party representatives.

Reality check and transformation efforts

Despite the conditionality and the “carrot and stick” model, introduced after the last enlargements, the European Union cannot deliver even when the time for “the carrot” has come, due to deep divides and ongoing Brexit and migrant crisis. Several EU Member States practically oppose the enlargement at the meetings of the European Council, when important decisions have to be finalized, by relativizing the vocabulary and avoiding strong commitment with deadlines. This comes parallel with the unfinished debate regarding the need for a multi-speed Europe, and the French President Macron’s²⁶ constant demand for internal reorganization of the European Union, asking for a real reform and better functioning of the European Union, before any enlargement happens. On the other side is Germany and Chancellor Merkel, who supports the enlargement and shows more sensibility for the Western Balkans. One of the points Merkel made, aware by the negative impact of the enlargement delay, was when she condemned the initiatives for changing borders²⁷ between Serbia and Kosovo, as a solution for their dispute. This would be a precedent and would kill the principle of non-changing of borders, which keeps the peace in the Balkans.

This divide on the enlargement puts Germany and out-going European Commission in the pro-enlargement trench, and France, leading a couple of other countries, in the against-enlargement trench. After Macedonia signed the treaties with Bulgaria and Greece, they finally fully joined the pro-enlargement trench, which was a substantial reinforcement, as countries coming from the region. This year, with the European elections and the change

²⁶ <https://www.politico.eu/article/emmanuel-macron-pours-cold-water-balkans-eu-membership-enlargement/>

²⁷ <https://www.politico.eu/article/angela-merkel-no-balkan-border-changes-kosovo-serbia-vucic-thaci/>

of the European Commission, Macedonia and Albania will wait for the last attempt to be given a start of the negotiation process, pushed by the outgoing European Commission, Serbia and Montenegro will become more nervous due to the slow dynamics of the negotiation process, and Bosnia and Herzegovina and Kosovo will stay in the limbo zone, even without a tentative timeline for membership talks.

It still remains highly uncertain how during the next composition of the European Commission (2019-2023), the enlargement will be reenergized. Obviously, in this term, again there will be no enlargement, and there is no need anybody to say that at the beginning of the mandate, as President Junker did. But all the results which marked the enlargement, the most successful EU policy until today, after the EU elections and the formation of the new Commission will reconfirm its commitment to a merit-based predictable accession process and express clear readiness to absorb “the remaining part of Europe” within its borders.

The EU will not be without the Western Balkans. It is the front yard, or the back yard of Europe, whatever. The door of the EU should remain open until the last country from the region enters it. We need continuous firm messages for the support of the EU in this regard. The integration to the EU is also important from a geopolitical context – a contribution to the long-term stability and prosperity of the country and the region. Good neighbourly relations and regional cooperation remain strategic goals and go hand in hand with the EU integration ambition.

Besides the rule of law as a crucial precondition, economy (meaning functional market economies and increased economic growth) and better transport links between the counties of the Western Balkans are needed to be ready to enter the EU. The EU has to build up an additional capacity, fighting the current challenges, but also to incorporate 6 new Member States, which have been confirmed to become EU members at some point.

Meanwhile, nations coming from the Western Balkans need to show maturity, build the trust among them by looking together in their European future and helping each other, and keep on delivering reforms in the key sectors for upgrading the standard of their societies. At the very end, this is what their citizens expect from them, and fully deserve during the years of transition.

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