POLICY PAPER

EU enlargement to the Western Balkans:
Out of sight, out of mind?

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The aim of the policy paper is to assess the current state of play in the process of EU enlargement to the Western Balkans. It examines ways of accelerating the process, asking the question whether the EU and the Commission in particular possess appropriate tools to deal with the ‘complicated’ candidate countries in a complex international reality. The paper argues that, although the recent changes in the Commission’s approach to candidate countries are positive, there is more to be done to re-energise the process and encourage domestic reforms in these countries. The Commission needs to regain the role of key driver of the enlargement policy and refrain from a pure bureaucratic approach, lacking enthusiasm for accepting new members.

The study first examines key aspects of the Commission’s 2015 Enlargement Strategy and Country Reports and recommends appropriate adjustments to it. It then looks at the current state of EU integration of the Western Balkan candidates, as outlined in the Commission’s Reports, and offers more general conclusions and recommendations with regard to the EU’s overall enlargement policy. The study is conceptualised as a comparative analysis of six Western Balkan (potential) candidates for EU membership, based on the qualitative analysis of the EU’s most recent and updated enlargement documents.

Introduction

The EU has been experiencing a severe crisis with far-reaching and unpredictable consequences. Many authoritative voices even argued that the EU is ‘in danger of falling apart’ while its key building blocks are ‘on the brink of collapse’. Faced with a serious migrant crisis, security issues and significant economic troubles, the EU has struggled to respond effectively to such a wide range of varied challenges. Where does this leave one of the EU’s most successful policies – the enlargement policy? From being a key transformative tool in Central and East European countries, praised for its effectiveness and long-term positive effects, the enlargement policy has


become a second-order issue attracting much less interest from both the EU and its member states. Although enlargement has not stopped altogether, it has considerably slowed down under highly unfavourable circumstances for further EU expansion. Fifteen years after being recognised as potential candidates for membership of the EU, some Western Balkan countries have not even applied for membership, while those more advanced have experienced major obstacles in the process. At the same time, a growing number of voices within the EU argue for a more gradual and cautious approach to enlargement or even for postponing the accession of candidate countries until all new members states have been fully ‘absorbed’.

The Juncker Commission and the 2015 Enlargement Strategy: More cautious and more bureaucratic

What is the position of the new Commission on EU enlargement? What innovations do the Enlargement Strategy and Country Reports introduce and how do they differ from the enlargement documents of the previous Commission?

The 2015 Enlargement Strategy contains a medium-term strategy for the EU enlargement policy that covers the mandate of the Commission until 2019. It is based on the same ‘fundamental first’ principles introduced by the previous Commission. These are: the rule of law (including judicial reforms and tackling organised crime and corruption), fundamental rights, strengthening democratic institutions and public administration, as well as economic development and competitiveness. The 2015 Strategy therefore neither diverges from nor adds any new strategic priority to the EU enlargement policy. However, unlike the previous strategies, it places greater priority on the effective implementation than on the mere adoption of the legislation and establishment of administrative structures. It also rightly stresses that, while fundamental rights are often largely enshrined in law, shortcomings persist in practice, particularly regarding freedom of expression that has recently become an issue of serious concern across the Western Balkans.

Furthermore, while the Enlargement Strategy and Country Reports provided a set of short-term, one-year goals for each of the countries, they failed to provide precise mid- and long-term priorities. Given the complexity and time needed to implement required reforms, setting up such goals with appropriate monitoring would certainly help Western Balkan candidates and accelerate their EU integration. They should therefore be provided with a set of at least medium-term priorities, expected to be accomplished within three to four years. This could resemble the 2004/8 European Partnerships that set out the key mid-term principles and priority areas in which candidate countries needed to make progress.

The 2015 Reports were authored by the newly established Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR). Unlike its predecessor, DG Enlargement, DG NEAR also deals with the European Neighbourhood Policy agenda, which required urgent actions over the previous year. Enlargement is therefore not a top priority for DG NEAR, a fact clearly reflected in the 2015 Reports. The delay in publishing the Reports itself was a telling indicator of the fact that enlargement is not high on the agenda of the EU, as well as further politicisation of the enlargement policy. The overall tone of the Enlargement Strategy is thus different from the previous ones. It paints a sombre but realistic picture of the state of play in the process of EU enlargement to the Western Balkans, demonstrating (i) the low level of preparation for membership, (ii) that the new Commission has taken a cautious not to harm the electoral performance of the Turkish President Recep Tayyip Erdogan party, since the EU was desperately seeking Turkish cooperation in stemming the flow of refugees to Europe.

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4. The Reports, highly critical of the Turkish human rights and the rule of law records, were apparently delayed in order
approach to candidate countries and (iii) that there is an overall pessimism and lack of enthusiasm for new members.

While the previous Reports clearly underlined the benefits of enlargement such as ‘making Europe a safer place’ and ‘improving the quality of people’s lives’; the 2015 Enlargement Strategy lacks any celebratory rhetoric and instead focuses on concrete issues and challenges. The Commission specifically stressed:

- **Strict criteria and a good preparation of candidate states**, arguing that ‘enlargement can only be of benefit to the EU and to partner countries if there is genuine, sustainable reform’;  

- **Major challenges faced by candidate states**. The Commission portrayed a realistic picture that across the board effective implementation of the legislation is often lacking and that it aims to ensure that countries prioritise reforms in the key areas;  

- **For the first time, the Commission underlined the time needed for reforms to be properly implemented**, arguing that the fundamental changes needed to meet the obligations of EU membership ‘inevitably require time’;  

- **More importantly, the Commission stated that there will be no accession within its term in office, since ‘none [country] will be ready to join the EU during the mandate of the current Commission, which will expire towards the end of 2019’**.  

The Commission was not reluctant to point out difficulties and use strong terms to denote the state of play in these countries, which in itself is a positive approach that may serve as alarm bells for the Western Balkan political elites. However, the populistic remark of Commission President Jean-Claude Juncker, who declared in July 2014 that there will be no enlargement over the next five years, sent a powerful and damaging message to the region and raised concerns in candidate states — primarily in Montenegro as the most advanced one. Although factually correct, given that no country would have been ready to join in the next five years, this was a wrong message that demonstrated the absence of political commitment on the part of the EU to further enlargement. **EU political commitment to enlargement matters more than ever before and the Western Balkans needs constant reassurances that it will eventually join the Union.** Moreover, such a bold statement has already provoked heated discussions in some countries on the desirability and feasibility of joining the EU in any foreseeable future. It may further spark dormant, but potentially strong, Euro-sceptic sentiments among political elites and the public (primarily in Serbia and the Republic of Srpska). Crucially, it may discourage Euro-enthusiastic elites seeking the political courage and energy to transform these counties, and deter them from implementing the reforms needed for joining the EU.

The 2015 Reports thus seem to be a reflection of the enlargement fatigue that has permeated even the Commission, an institution that used to be a staunch defender of this policy. At the same time, the Reports reflect the more bureaucratic nature of enlargement, since interaction between the EU and the Western Balkans has also become more bureaucratic and technical. The EU strategy therefore draws on a potentially damaging combination of a strong political message that enlargement is not a priority
and that joining the EU is only a long-term prospect of candidate countries, on the one hand, and a bureaucratic approach lacking the enthusiasm needed for the successful transformations of these societies, on the other hand.

In other words, the Commission has essentially ceased to be a promoter of enlargement, primarily as a consequence of *de facto* unwillingness of EU member states to accept new members in the foreseeable future. As a result, the process has significantly slowed down, with already visible detrimental effects on the region. Instead, the Commission needs to position itself as a key defender and advocate of enlargement and refrain from being overly concerned with domestic political considerations of the leading member states and their publics. While being strict in setting the goals and assessing the progress of candidate states, it should avoid statements that may have a negative effect on the already disillusioned elites and publics in the region.

On the other hand, there are a number of innovative changes in the 2015 Reports. **The most significant and potentially most beneficial is a new methodology aimed at better measuring of the results of the enlargement policy and countries’ progress.** The Commission specifically introduced a useful distinction between the overall extent to which countries are prepared for meeting membership criteria and the progress they have made over the previous year. To assess the overall level of preparation, a five-tier assessment scale was designed, consisting of the following categories: *Early Stage, Some Level of Preparation, Moderately Prepared, Good Level of Preparation and Well Advanced*. To examine the countries’ progress over the previous year, the Commission used the following scale: *Backsliding, No Progress, Some Progress, Good Progress and Very Good Progress*.

Compared to the ambiguous terms used in the previous Reports, **the new assessment scales are a promising new tool to appraise countries’ progress in a clearer, more objective and crucially measurable way.** If systematically used, they may indicate countries’ achievements accurately over the previous year, in relation to the cumulative progress they made over a number of years. In this way, the Commission will be able to pinpoint and react in time to any problems that may occur, providing guidelines on how to tackle such issues, without jeopardising previously achieved progress. In the 2015 Reports, the new methodology was successfully used in pilot areas (such as the functioning of the judiciary, the fight against corruption and organised crime, freedom of expression and public administration reforms), based on measurable area-specific criteria.

The key challenge in the following years will be to design assessment criteria in all policy fields that would reflect the real level of preparation of the candidates and provide a fair assessment of their achievements. In other words, criteria need to be as measurable and as directly related to the assessment scales as possible. It will be particularly challenging to design measurable criteria in the politically most sensitive areas, i.e. political criteria that are by their nature open to various interpretations. These include the existence of democracy, the overseeing role of parliaments, government cooperation with independent regulatory bodies, protection of fundamental rights, regional cooperation and good neighbourly relations, as well as foreign, security and defence policies.

Moreover, one of the most important categories is ‘Backsliding’, which indicates the worsening of situations in candidate countries over the previous year. In order to address the causes of such negative conditions and to tackle them effectively, it may be useful to introduce one more category (analogous to ‘Progress’ categories), termed ‘Serious Deterioration’. This may refer to the most serious occurrences that are difficult and time-consuming to reverse, such as the long-term blockade of the work of parliaments (which is a common occurrence in the region), as a result of deep divisions between ruling and opposition parties, the absence of mutual trust and dysfunctional democratic institutions. In comparison, an adoption of legislation contrary to EU requirements may be interpreted as backsliding that can relatively easily be remedied. ‘Serious Deterioration’ may be seen as an assessment category that would alert both the Western Balkan and EU countries to the most urgent
issues and refocus their attention accordingly. For instance, the political crisis in the former Yugoslav Republic of Macedonia, that set the country back several years in relation to the democratic criteria, represented more than backsliding and required an urgent response by the EU. Although important to assess the progress, it is equally crucial to address the causes of backsliding and deterioration in order to avoid the spiralling of such negative trends.

By using the new scales, the Commission also expects to be able to directly compare the candidates in an objective manner. It thereby provides an additional incentive for candidates to intensify reforms. Indeed, new assessment criteria may lead to the spirit of healthy and productive competition between countries and, more importantly, the exchange of know-how that may be of key benefit to candidates. However, to achieve this goal, the Commission must use its new criteria objectively, devoid of any political influence of member states or domestic political concerns. Also, the noticeable gap between more (Serbia and Montenegro) and less advanced countries (other Western Balkan countries) is likely to widen over the following years, making it questionable as to what extent it will be possible to compare them, or whether this will trigger competition between them.

The state of play of EU enlargement to the Western Balkans: overall stagnation and modest preparation

Overall, there has been stagnation in the EU accession process of the Western Balkan candidates, with some backsliding and limited progress over the previous year. Strikingly, Western Balkan countries were not assessed in any policy areas as making ‘very good progress’ in the past year, or being at ‘a well advanced’ level of preparation for EU membership (with a very few exceptions). Most countries achieved ‘some level of preparation’ or are ‘moderately prepared’, with ‘some or no progress’ being noted for the past 12 months. There are, nevertheless, notable differences between individual states, reflecting different stages of their integration with the EU.

Although well ahead of all other countries – it opened 20 negotiating chapters – Montenegro was assessed only as well advanced in intellectual property law, while it reached a good level of preparation in a number of chapters such as science and research, education and culture, external relations, agriculture and rural development, fisheries and regional policy. It is at an early stage of preparation on environment and climate change, freedom of movement for workers, and financial and budgetary provisions. There was no backsliding, but no progress was made in the area of freedom of expression and freedom of movement for workers. The Commission identified that it is now essential that the rule of law system delivers results, in particular to establish a track record in the fight against corruption and organised crime.

Serbia was assessed as well advanced in monetary policy, with a good level of preparation in company law, science and research, and education and culture. The country is at an early stage of preparation in agriculture and rural development, environment and climate change, and financial and budgetary provisions. No backsliding was reported, but no progress was made on freedom of expression, the environment, and the common commercial policy. The pace of negotiations with the EU – the first two chapters were opened in December 2015 – will depend on ‘sustainable progress’ in the rule of law and its relations with Kosovo.

The former Yugoslav Republic of Macedonia was assessed as well advanced in monetary policy and free movement of goods. It is at a good level of preparation in developing a functioning market economy, and in company law, information society and media, science and research, and customs union. Preparations in the area of freedom of movement for workers and climate are at an early stage. At the same time, this country experienced the most serious backsliding in the region. The Commission found that the achievements of the last decade’s reforms have been undermined by political interference in the work of the judiciary. It also reported backsliding in public finance management. No progress was achieved in the fight against corruption and organised crime, the functioning of a market economy,
regional policy, as well as judiciary and fundamental rights. Nevertheless, the Commission extended its conditional recommendation to open accession negotiations, depending on implementation of its 'Urgent Reform Priorities'.

**Albania** was not assessed as well advanced in any of the examined areas, while it reached a good level of preparation only in foreign, security and defence policy. In a number of crucial areas, the country is at an early stage of preparation, including the rule of law, agriculture and rural development, fisheries as well as justice, freedom and security. Good progress was made in public administration reform, with no backsliding. In order to start accession negotiations, the country needs to establish a solid track record of pro-active investigations, prosecutions and final convictions at all levels in the fight against corruption and organised crime, and ensure a constructive cross-party political dialogue.

Similarly, **Bosnia and Herzegovina** was not assessed as well advanced or with a good level of preparation in any policy area, while there are only three moderately prepared areas – free movement of capital, customs and taxation, and intellectual property law. It made good progress only in the adoption of the law on public procurement. However, the country was backsliding in the areas of freedom of expression, and information society and media. No progress was made in numerous areas, such as public administration reform, human rights and the protection of minorities, the creation of a single economic space, competition, and even education and research. For the EU to consider a membership application, the country needs meaningful progress in the implementation of the Reform Agenda.

**Kosovo** has not been assessed as well advanced nor has it reached a good level of preparation in policy fields, while it is moderately prepared only in the area of customs. In other areas, it is at an early stage, or with some level of preparation. However, no backsliding was reported, but there was no progress in freedom of expression, competition, employment and social policies, public health policy, education and research, and environment and climate change. Following signature of the Stabilisation and Association Agreement, Kosovo will find it difficult to make further progress, given the numerous reform challenges ahead and its effectively unresolved international status.

What does the state of play in EU enlargement to the Western Balkans reveal? **The EU is still able to play the role of an authoritative driver of positive changes, but is also an actor that may worsen the tensions due to its often inconsistent approach to the region.** This has been most visible in the case of the former Yugoslav Republic of Macedonia. The severe political crisis which erupted as a result of long-term tensions between the two leading parties exposed breaches of fundamental rights, government interference with judicial independence, media freedom and elections, and wide-scale corruption. The EU crucially contributed to solving the crisis when the two sides brokered a deal on a transition government and a new election. The EU thus still appears to possess the authoritative power to transform these countries and tackle their most urgent problems.

Nevertheless, due to its reluctant policies towards the region that has been 'hijacked' by some member states, **the EU also bears some responsibility for the crisis and worsening of the situation in the former Yugoslav Republic of Macedonia.** Specifically, for a whole decade the country has been kept in the waiting room for accession negotiations, due to Greek and recently Bulgarian objections, despite the Commission's repeated positive recommendations since 2009. This has had serious negative effects that culminated last year. Political elites effectively gave up EU membership for the foreseeable future, hardened their stance on the name issue and introduced autocratic measures in the political system that provoked reaction by the opposition and civil society. The case of the former Yugoslav Republic of Macedonia thus proves that **only membership negotiations can induce and solidify positive developments in candidate countries; all other mechanisms, such as the High Level Dialogue, are poor and inadequate substitutes for it.** A well advanced candidate country, negotiating the Chapter on Judiciary and Fundamental Rights as well as on Justice, Freedom and Security, would have never been in a situation of such heightened political and ethnic tensions. The same scenario of 'neglected'
candidate countries may be repeated in Bosnia and Herzegovina and Kosovo, where domestic reforms stalled or have never commenced, partly due to the uncertain prospects of EU membership.

The case of Serbia indicates another potentially damaging consequence of EU strategy – the inconsistence in the Commission’s approach to individual candidate countries. Although Serbia has not been assessed as backsliding, its democratic credentials have worsened over the year, primarily in relation to freedom of expression and the independence of the regulatory bodies and the judiciary. Unlike Bosnia and Herzegovina, where the same events have been reported as backsliding, they have only been noted as problematic. The Commission thus argued that ‘conditions for the full exercise of freedom of expression are still not in place’ and that ‘the Serbian government needs to cooperate fully with independent regulatory bodies and the Ombudsman’s office and to respect their remit’\(^\text{10}\). However, no further actions or specific recommendations have been made.

This was primarily due to the fact the EU was almost exclusively focused on Serbian relations with Kosovo, at the expense of all other policy areas crucial for the country’s domestic democratic transformation. Since the Serbian government was cooperative in de facto recognising Kosovo’s independence, it was praised for normalising its relations with Kosovo, while the Commission turned a blind eye to the deterioration of democratic conditions. Although it is legitimate to emphasise the regional stabilisation (as perceived by the most influential member states that recognised the independence of Kosovo), the danger lies in the fact that domestic transformation remained in the shadow of this issue. In other words, the sustained efforts to transform candidate countries internally must lie at the core of EU enlargement; this as a consequence would inevitably lead to regional cooperation and long-term stability. Taking an opposite approach may undermine both regional stability and domestic political reforms.

Recommendations

1. The EU needs to reinforce the enlargement process and to take more determined and confident steps towards candidate countries. In light of the adverse consequences of the neglected candidates, the EU should aim to open accession negotiations with the former Yugoslav Republic of Macedonia and Albania as soon as possible and to encourage Bosnia and Herzegovina and Kosovo to qualify for the submission of credible membership bids in the foreseeable future. It should also proceed with Serbian and Montenegrin accession strictly, but without unnecessary (politically inspired) delays and obstacles, maintaining the momentum of far-reaching reforms.

2. By focusing on the least advanced (potential) candidates, the EU will avoid widening the gap between more and less advanced countries, while maintaining an individual, merit-based approach. A growing gap may provoke resentment from the less advanced countries over the way the EU has been treating them. It may also prevent healthy competition between them and further isolate the least advanced countries, which would find it more difficult to catch up with those that have made more progress.

3. The Commission needs to assume the role of key defender and advocate of the enlargement policy, immune to enlargement fatigue. The new Commission has proved to be much less of a driver of enlargement than the previous one. Faced with a hesitant Commission, candidate countries would easily lose the incentives and momentum of transformation and reforms. The Commission should be more enthusiastic and proactive in advocating this unpopular policy and continually assure reluctant member states that

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enlargement is also to their benefit. At the same time, it needs to demonstrate much stronger and unambiguous political commitment to the process, reassuring the Western Balkans that it will eventually join the Union.

4. The Commission needs to take the initiative and not let public opinion lead and shape enlargement policy. The general public is more likely to follow informed and persuasive arguments of the elites that EU enlargement to the Western Balkans is beneficial to member states. It needs to point out the positive examples of EU-induced transformation of previous candidate countries and argue that all other alternatives (such as delaying accession or offering ‘deep partnership’) will not serve the purpose of creating a stable and secure Union in an unstable international environment.

5. The Commission should avoid a too strong ‘nationalisation’ of the enlargement policy. Bilateral issues should be solved in parallel with accession negotiations. Although traditionally inter-governmental, enlargement is now much more in the hands of member states. They are now in full control of the process and are able to veto it (and have effectively done so in the past) at any stage. As a result, member states have tended to use the inferior position of candidate countries to solve their bilateral issues. This creates resentment from candidate countries, further undermining the EU’s transformative efforts and credibility in the region. Such an obstructing role of member states may be overcome by strengthening the role of the Commission and using bilateral mechanisms for resolving disputes between the states.

6. There should be no moving targets. There is a widespread feeling in the Western Balkans that enlargement is a moving target and that the EU keeps changing the conditions for accession or introducing new, often politically motivated, conditions. This is perceived as unfair and as such discourages reforms. The EU must clearly spell out the conditions and apply them consistently; that is the only way it can ensure the credibility and predictability of the process which is crucial for its success.

7. The Commission must avoid politicalisation of enlargement and particularly inconsistency in its approach to individual countries. The Commission should refrain from focusing on certain aspects of the process at the expense of others. The sustained efforts to transform candidate countries internally in the priority areas must lie at the core of EU enlargement.

8. The Commission should continue to refine the Enlargement Strategy and Country Reports. The strategy should specifically draw on and expand the novel assessment scales and criteria. The Reports should contain more specific recommendations and practical guidelines as to what precisely countries should focus on and fine-tune these proposals in order to take into consideration the different statuses of individual countries as well as the need for the appropriate sequencing of reforms. A higher priority on effective implementation, rather than the mere adoption of the legislation should underpin the Commission’s strategy. The 2015 Strategy and Country Reports were a step in the right direction, although they should have been less technocratic and bureaucratic.

9. In addition to short-term guidance, the Commission should also devise a set of precise mid- and long-term strategic objectives and priorities to be achieved within three to four years in each policy area. These goals should be explicitly stated, measurable and realistic, providing candidate countries with the necessary framework for long-term strategic planning (which the current Reports have failed to do).

10. In particular, the Commission should highlight the importance of political criteria. There should be a separate section in the Country Reports assessing the position of independent regulatory bodies and the Ombudsman’s offices, as well as a section dealing with freedom of expression (it is currently examined under the broad heading of Human Rights and the Protection of Minorities). The Commission should be bolder in assessing these areas and provide more practical guidelines.
11. The transformative role of the EU in the Western Balkans has recently been weakened as a result of internal difficulties, but also due to inconsistent and reluctant policies towards the region, which have resulted in a measured loss of its attraction. It is therefore of crucial importance to re-energise enlargement policy. This would prevent other important players from penetrating the region, such as the Russian Federation or Turkey, which have been increasingly economically and politically present in the region.

12. The Western Balkans should not pay the price of the EU’s struggle to design and implement effective and unified responses to complex global challenges. The region should not suffer the consequences of the global crisis, as the EU and specifically some of its member states introduce measures harmful to non-members – such as closing the borders, building walls around the region or turning these countries into ‘hotspots’ for migrants. The EU should find instruments to deal with the crisis that would not affect the most vulnerable countries – those in the Western Balkans.

13. Instead, the migrant crisis should inspire all countries to invigorate the enlargement policy. The Western Balkan countries have been severely affected by the crisis. They have struggled to coordinate their policies, which has led to yet another wave of tensions in the region. However, the crisis has also demonstrated how closely interconnected the EU and the Western Balkan countries are. When guided by the EU and included in the decision-making, these countries were able to work together and deal effectively with the immense challenges they have recently faced.

Conclusion

In the wake of the crisis, the new EU has been shaping up. Although it is unclear where this will leave its enlargement policy, it is most likely that it will remain in the background, as evidenced by the 2015 Reports. However, as enlargement does not take place in a vacuum, the EU will inevitably have to adapt to new circumstances. This will require new and more creative instruments of engagement with the Western Balkans, since the current tools at the disposal of the EU do not always seem to be appropriate, given the new international reality. The EU needs to adopt a more determined approach to enlargement, underpinned by unambiguous political commitment, as well as more efficient methods of communication and coordination with this region – which were noticeably lacking during the migrant crisis. Although under no circumstances should the merit-based approach be abandoned, the EU needs to design more creative country-specific and tailor-made instruments to bring individual countries closer to the European core and to assure that their internal transformation is irreversible (such as the 2014 German-British initiative for Bosnia and Herzegovina that is yet to produce tangible results). Moreover, the Western Balkan countries need to be fully involved in the process of reshaping the EU. They also need to be more involved in the EU decision-making, particularly with regard to global issues and challenges. In other words, the region must not remain out of the sight and mind of the EU. The last time that this happened was two decades ago and the consequences of such short-sighted policy are still widely and painfully present.