European Union-Western Balkans: for a revised membership negotiation framework

Whilst the Thessaloniki Summit in 2003 opened up European prospects for the Western Balkans, the agenda that was promoted then has hardly been completed to date. These countries have experienced worrying democratic recession in a serious demographic and economic situation which is playing into the hands of re-emerging powers. The re-engagement of the European Union with the Berlin Process and the six flagship initiatives on the part of the Commission, approved in 2018 is positive, but is now seen to be lacking. Divisions are still deep, and reconciliation is waning. Given the fragile stability of these countries, which are now being wooed by third parties, the time has come for a new approach. Economic and political re-engagement, including the launch of membership negotiations with Albania and North Macedonia, but based on a new framework, is vital for the very security of Europe.

A WORRYING DEMOCRATIC RECESSION ...

“There is no future for my children in this country,” said one doctor as he left Sarajevo to settle in Germany in 2017, expressing a widely shared feeling in Bosnia-Herzegovina, which has witnessed the departure of 173,000 citizens in the last five years, i.e. nearly 5% of the population. Kosovo lost 2% of its population alone in 2017 and Albania 2.2%. This massive exodus, together with continuous demographic decline, is emptying the Western Balkans which according to Eurostat, lost a total 228,000 inhabitants in 2018.

Whilst this trend is impoverishing the economies – as it enriches the host countries whose workforce is weak – it empowers the authorities in office, since it reduces the pressure for political change. Democracy is being sequestered by dominant clans and parties, as in Kosovo, Serbia, Bosnia-Herzegovina and Montenegro. The functioning of their institutions is being perverted by corruption: public procurement and building permits are keenly sought-after sources. Governance is only improving slowly. Moreover, the citizens place political parties at the top of the corruption ladder (82%), followed by the judicial system (80%), healthcare services (79%) and customs and excise (78%)[1]. This was the observation made by the European Commission in 2018, as it used the term “State capture” for the very first time[2]. Its 2019 report unfortunately notes the same ills[3], whilst checks and balances are inoperative: media that are often controlled; weak parliaments that are restricted by a boycott as in Albania, Montenegro and Serbia.

When reform has been started, it is slow and its impact in the field is largely ineffective. A gulf exists between the formal adoption of the laws and their implementation: the informal reigns, and this is open to all types of compromise.[4] What do we read for example about Montenegro in the Commission’s report? “It is vital for the rule of law to produce more tangible and sustainable results.” How diplomatic the terms of this criticism are! How could the party in office for the last 28 years cut off the branches on which it has prospered?[5] Similar criticism regarding the lack of progress, amongst others, in the judicial system and the freedom of the media in Serbia, caused the ire of Prime Minister Ana Brnabic. Then there is the institutional and political blockage in Bosnia-Herzegovina, where three ethnic groups – Serbs, Bosniaks and Croats – have yet to form a government eight months after the elections. There is political decay in Kosovo, where the Prime Minister has reigned[6] over a government of 21 ministers, 80 deputy ministers, 5 vice-premiers and 30 advisors for a population of 1.7 million, which feels that it has been left to its daily problems, with an unemployment rate of 40%.[7]
Albania sets itself apart, the government has committed, on the suggestion of the European Commission, to the in-depth reform of the judicial system, through a vetting process of the magistrates and the creation of an ad hoc structure to counter corruption and organised crime (SPAK). This radical process, which is unprecedented in the Balkans, is not unfamiliar with the opposition’s recurrent boycott of Parliament. Indeed, in Albania, as across the entire region, the appointment of magistrates has generally supported the parties that have been in office for a long time. Vetting the merits of judges and prosecutors therefore really shakes things up. But it is a guarantee for the independence of the legal system. And the success of the vetting in Albania should encourage the other States to follow the difficult, but crucial path to membership, and to the citizens’ regained confidence in their own legal system[8].

WHERE THE RECONSTRUCTED PAST IMPEDES RECONCILIATION

Regional cooperation is one of the linchpins in the Stabilisation and Association Process (SAP) adopted by the European Union with the Western Balkans in 2000 and confirmed in Thessaloniki in June 2003. Clearly it cannot become part of the social bedrock without a reconciliation process, jointly initiated by the political authorities and civil society and mainly between the three key belligerents, i.e. Bosnia-Herzegovina, Croatia and Serbia. But the promising initiatives of 2013-2015 are running up against obstacles in all areas of ‘reconciliation’.

Firstly, the transitional justice system is still too slow, notably in Sarajevo where the revised strategy is blocked in Parliament – despite aid provided by the European Union. This is especially the case since cooperation between the prosecutors for war crimes for Sarajevo, Belgrade and Zagreb, following the agreement concluded under the aegis of the European Commission and the ICTY Prosecutor – is being impeded. It involves the quest for the missing – still estimated at 12,000 – that suffers due to disagreement, despite commitment on the part of the leaders in June 2018. And it also concerns the re-writing of history, starting with that of the Second World War in Croatia, which re-opens the wounds of the past. Ethno-nationalist discourse is awash with “victimisation” that forms the core of the rhetoric, which leads to tension, since the Other is always the scapegoat for any problems. A culture of denial and the glorification of war criminals has been spreading for many years, and competes with narratives of acts of war[9]. In this context minorities are often manipulated to stir up – through hope or fear – the dangerous myths of a Great Albania or Great Serbia. We are far from the recommendation made by the Commission in February 2018 to “stimulate reconciliation, using a climate of tolerance, opening and trust.”

The citizens’ initiative RECOM, launched by some NGOs in 2008, illustrates this situation. Supported by the governments in 2010 for its goal to establish jointly the facts of war and lists of victims, it has just been ignored by Croatia and is even deemed “obsolete” in Bosnia-Herzegovina, where one of the political leaders believes that security takes precedence over reconciliation[10]. Hence, it was impossible to make a declaration at the recent summit in Poznan. The Western Balkans have entered a period of regression, which is compromising their ability to live together and their European future, and it is also contributing to emigration.

One country however has distinguished itself, since it made a courageous decision – when the Macedonian Prime Minister Zoran Zaev and his Greek counterpart, Alexis Tsipras brought the dispute over the name of North Macedonia to an end with the Prespa Agreement on 12th June 2018. After the 27 years of this historic dispute over identity, this is a major step forward in which history will remember its political courage. A friendship treaty with Bulgaria has also been signed.

It is the only bilateral dispute that has been resolved in Balkans, whilst “good neighbourly relations” and “regional cooperation” are conditions for EU membership. Indeed Kosovo-Serbia dialogue lost its credibility after the failure to implement several agreements, notably the creation of an Association of
Serb Councils in Kosovo. It has not moved forward since the Serb President Aleksandar Vučić and Kosovar Hashim Thaçi planned an exchange of territories, which led to strong national and international opposition; and also after the Kosovar government imposed 100% customs duties on Serb imports, in total disregard of the regional trade agreement and its association agreement with the European Union. Again, the Union was unable to assert itself, whilst Pristina tried to involve Washington in the talks to palliate Brussels’ weakness. Moreover, numerous other border disputes and minority rights are still waiting to be solved.

**THE CHALLENGE OF RE-EMERGING POWERS...**

In this situation, in which the EU’s internal weaknesses have reduced its influence, others are naturally trying to fill in the gap, since geopolitics hates a vacuum. Of course, it is Russia that leads the way, since it has been described as being “back” in the Balkans. Russia never lost its influence over the Slavs and the Orthodox. But its trade relations remain marginal[11]. And the trade agreement that Serbia is to sign at the end of October with the Eurasian Economic Union should not mask its intent: it is primarily political to assert Moscow’s support to Belgrade in its dispute with Kosovo. Does Russia have any interest in opposing the membership of these countries to the European Union, whilst it already occupies a comfortable position in terms of energy, which an enlarged Union can but enhance? Russia’s main interest, its obsession, is to prevent Serbia and Bosnia-Herzegovina from becoming NATO members. It failed in stopping North Macedonia and especially Montenegro from integrating the Atlantic Alliance. Hence, the entire north coast of the Mediterranean, from Spain to Turkey belong to NATO’s defence system, except for access to the sea by Bosnia-Herzegovina at the port of Neum. Moscow’s policy should be measured in the light of this.

The true predator is China, which has chosen the economic path, in which its influence is expanding rapidly. On 11st April 2019 in Dubrovnik it co-chaired the 8th meeting with the States of Central Europe and the Balkans[12], where new investment projects, notably infrastructures, were announced.[13] China has stepped up financing in the shape of loans over the last few years, to the point of becoming the main creditor in some countries: 39% for Montenegro, 20% for North Macedonia, and 14% for Bosnia-Herzegovina. A normal market game one might say. Yes, except that it is establishing itself without any form of transparency.

The construction of the Peljesac Bridge to facilitate traffic between the two parts of Croatia across the sea before Neum, which is under Bosnian sovereignty, illustrates Chinese dynamism. It especially highlights regional problems and European contradictions. This project is shocking for several reasons: Bosnia-Herzegovina never agreed to it, paralysed due to the Croats living there being in favour of the bridge, the Republika Srpska was indifferent and the Bosniaks opposed it; a bridge that cost 420 million € 85% was financed by European taxpayers, via a call for tender on the structural funds, which of course was in line with the rules in force, but surprisingly the workforce was almost exclusively Chinese, living on a boat anchored offshore. We wonder which network was powerful enough for the Commission to accept this financing, after having refused to do so several years earlier! Finally, there is no example of a foreigner creditor not being tempted at the end of the day to demand a political return for its support - especially since Beijing is also stepping up its soft power initiatives and is now providing assistance for the domestic security of several countries.

As for Turkey, it is trying to link up again with the territories of the former Ottoman Empire, particularly Albania, Bosnia-Herzegovina and in Kosovo. And the Turkish President is playing the Muslim card in Sarajevo and Mostar. Although its economic bids have been disappointing to date, Turkey’s aid to education via schools and universities have been more successful, even though the separation from Fethullah Gülen’s movement after the coup d’etat in 2016 seriously disrupted its reputation. More ambiguous and diffuse, the influence of Saudi Arabia and Qatar is particularly palpable in the Bosniak areas, where a strict form of Islam is developing and which to date was largely unknown in the Balkans.

---

21. The Western Balkans undertake 75% of their trade with the EU, 7% with Russia and 8% with China.

22. As part of the 16 + 1, i.e. the 16 States of Central and Eastern Europe, the Balkans and China.

23. Although infrastructures are a priority, China is also establishing itself in industry: purchase of the steelworks of Smederevo and the creation of a tyre factory in Serbia.
THE RE-ENGAGEMENT OF THE UNION IS POSITIVE BUT INADEQUATE

It was firstly in response to these external influences that German Chancellor Angela Merkel invited the leaders of the Western Balkans, with Austria, France, Italy and the UK in August 2014, which was to become the Berlin Process and an annual summit. The meeting was welcome in terms of encouraging these leaders to settle their differences, to extend the rule of Law and to develop “connectivity” projects in transport and energy with the financial support of the European Union. The final declaration was a commitment to democracy and cooperation. A commitment which was renewed in Vienna (2015), Paris (2015), Trieste (2017), London (2018) and Poznan (2019).

Significant progress has been made: participation of representatives from civil society, the creation of the Regional Youth Cooperation Office (RYCO) on France’s initiative, and a strong action plan for the recreation of a regional economic zone (Trieste Agenda), to boost investment and trade. It is especially connectivity which has moved forward the most under the Western Balkans Investment Framework managed by the Commission: 800 million € have been raised to date of the 3.2 billion in loans for the financing of 39 projects. Economic projects have developed the best. But the result is mitigated in other areas: the rule of law is progressing slowly, bilateral disputes remain (except between Greece-North Macedonia), the Trieste agenda is lagging; the quest for lost people endorsed in London has progressed very little, likewise the transitional judicial system and reconciliation was referred to only once in the press release of the Poznan presidency.

The EU-Balkans Summit in May 2018 in Sofia marked the re-engagement of the entire Union, based on six leading initiatives put forward by the European Commission in its February 2018 communication: rule of law, security, good neighbourly behaviour and reconciliation, economic and digital development, connectivity. Initiatives which the European Council of June 2018 endorsed.

But it has to be said that as the conferences and summits go by, from promises to declarations, the situation in the Western Balkans has not developed as once expected and the Union’s re-engagement has not triggered the expected results. Sixteen years after Thessaloniki, economic integration is high, but stability is fragile and incomplete. In addition to this there is a risk of a trend towards hybrid, “illiberal” political regimes. Strong men already control influential media and electoral campaigns, in which they exacerbate national, identity related passions. After all, why would they risk their positions by allowing the establishment of an independent judicial system whilst two Member States, Hungary and Poland, are controlling their own without any fundamental change occurring in the Union’s position? And whilst China is offering them funds that are not conditioned by “human rights”. Why should they comprise themselves over bilateral disputes whilst Croatia, an EU Member State, is refusing to implement the sentence of the arbitral court regarding its own dispute with Slovenia over the Bay of Piran, contrary to the commitment made prior to its accession to the Union?

Weakened by its multiple crises and divided over certain policies, the European Union’s aura has diminished somewhat, along with its credibility in the Western Balkans. No one is fooled in Belgrade or Tirana, where the motto of Communist Eastern Europe has been recycled: “the EU is pretending to accept us, we are pretending to reform!” Concerned about stability and faced with the game of the re-emerging States, the European Union seems to have allowed itself to be abused to the point that some mock the implementation of conditionality, deeming that the Union has supported a “stabilocracy”.

However, the membership process has been halted due to a lack of reform: although 32 negotiation chapters[15] have been opened with Montenegro since 2012, only three have been closed. The ratio is 2 out of 17 with Serbia since 2014. A strange turnaround in the process: the EU is often blamed for the slowness of negotiations whilst its partners, do not convincingly bear the burden of proof. Should we not look a little further into the past? Surfing on the wave of “liberal/
market economy” of the 1990’s and the success of its 5th enlargement, the EU applied the same instruments to the Western Balkans which were emerging from war – hence the “nationalism, the supreme stage of Communism” according to Adam Michnik, ruined countries, destroyed solidarity and created powerful mental barriers. The European Union undoubtedly erred due to “institutional optimism”[16] and underestimated the weight of history and the legacy of war. The priority should have been to provide a broad plan for reconstruction. The economy must now be prioritised in a more audacious approach.

FOR A NEW APPROACH: INVESTING MORE IN THE STABILITY OF THE WESTERN BALKANS ...

The European Union cannot go back on its promise, which is now 20 years old, to integrate the Western Balkans, nor can it be satisfied with a dangerous “status quo”. This is especially the case since these countries are geographically “embedded” in the Union. For the President of France Emmanuel Macron, this means, on the contrary, “reinvesting in the Balkans so that no non-European powers can do things in our place[17]”. However, the precipitation of rushed memberships would take the Union into an extremely dangerous spiral. A new approach is therefore necessary, with a double re-engagement – both economic and political. Even if other elements come into play, we know that the success of conditionality is greatly related to the benefits expected of the reforms being higher than their political cost. Hence, we might suggest the following approach:

- Making the Western Balkans eligible to the Structural Funds in 2021 to a total of, for example 20% of the sums that their EU membership would provide. Indeed, it is now that these countries have great need of investments which China incidentally is offering. With an equal population, whilst Bulgaria will have received 11.7 billion € between 2014 and 2020, Serbia has only had 1.5 billion in the IPA pre-membership programme. Yet the needs are the same. A linear progression in financial support would be preferable in every way, also to prevent the reception – post membership – of hard to absorb billions, a “financial poison” in the eyes of some economists, due to its sudden scale.

- Measures to support the rule of law would continue of course to be encouraged, including the vetting of magistrates. Support measures to civil society and reconciliation, including exchanges between young people would be increased. These funds would however mainly be attributed to transport infrastructures, education-research, to healthcare and SMEs. They might be given to the World Bank or the EIB and the EBRD, notably in the case of co-financing. They would also support structural economic reform advocated by the IMF and the World Bank.

- Key conditionality: payments and especially the increase of allocations over time would be linked to reforms according to the principle of “more for more”. Reform in support of the rule of law, but also the transparency of public procurement and the functioning of the regional economic zone. ‘More’ also for bilateral disputes that are settled and strong gestures towards reconciliation. The combination of this principle with access to the structural funds and their progressive increase should be a powerful incentive to reform, also stimulated by competition between countries for access to these funds, a greater share of which would not a priori be allocated;

- For their management they would be subject to supervisory regulations that would resemble the IPA programme rather than the structural funds, to prevent the partner States being judge and jury in the event of corruption and also to prevent abuse as we have seen in Hungary.

- The 2021-2027 multi-annual financial framework would be modified: the increase in financing would come from Turkey’s envelope – which is oversized for this country whose negotiations are de facto frozen – and from the structural funds, whose beneficiaries are also the most ardent supporters of membership on the part of the Western Balkans.

- Finally, a proposal should be made to modify the eligibility rules to calls for tender in the structural funds so that they are reserved in principle to Member States (a Buy European Act), so that taxpayers do not find themselves financing a Chinese company, which by
European Union-Western Balkans: for a revised membership negotiation framework

nature is always the lowest bidder financially, as in the case of the Peljesac Bridge.

**AND ENGAGING IN ACTIVE POLITICAL DIALOGUE...**

Strong political re-engagement has also become primordial. This means, amongst others, the following measures:

- The appointment of a Special Envoy for the Balkans under the High Representative/Vice-President of the Commission, since the HR/VP cannot focus solely on this issue, given his/her extensive competences. A person who knows the region and its leaders, he/she would be directly responsible for dialogue between Kosovo-Serbia, as a mediator, and not only as a facilitator. This dialogue should go together with active public diplomacy and sound support to civil society (Chambers of Commerce and NGOs);

- Apart from the Kosovo-Serbia dialogue, Bosnia-Herzegovina should be his/her other priority. The Commission has of course put forward a roadmap with its Opinion on the request for membership. But the ethnic institutional blockage that has resulted from the Dayton Agreements and the continuous ethno-nationalism in Bosnia-Herzegovina require strong, positive, symbolic measures for a virtuous circle of reform. Starting with exchanges between young people and reconciliation, in liaison with religious authorities, especially since the country has regressed in rather a worrying way;

- This special envoy might also intervene in other difficult situations, either bilateral (border disputes, minority rights) or national (Parliamentary boycotts). He/she would have a team of people from the External Action Service and the European Commission, notably when European legislation – which the Western Balkans are supposed to adopt – might provide the key to a solution. Proposals for increased financial aid would be a significant ally in his/her task;

- This special envoy would report back regularly to the Council’s Political and Security Committee as well as to Parliament. In the event of difficult situations, notably when parliaments are boycotted, he/she might invite MEPs to undertake mediation missions;

- Active political dialogue needs clarity and honesty, both with the public and the leaders of the countries in question. The simple announcement of "progress" during a commissioner’s visit because a law has been adopted serves neither the cause of the country nor the credibility of the institutions. Public opinion knows whether corruption has decreased or not. Speaking clearly is therefore vital, especially regarding membership since the burden of proof lies with the countries’ partners.

**UNDER THE FRAMEWORK OF A RENEWED MEMBERSHIP PROCESS**

Membership negotiations obey rituals of opening and closure that have remained unchanged for eons and which only the specialists are able to decipher. The result of this is a process that is opaque to public opinion, which feeds the idea that "Brussels" is pushing the Union to enlarge, whilst in fact opinion is much less in favour. It is true that because the Presidencies of the Council, and sometimes even the Commission, want to appear to be the candidate’s best ally, they regularly encourage progress, thereby creating a feeling of precipitation that damages the rigour and credibility of the process.

The balance between political opportunity and the reality in the field between the "carrot and the stick" is assuredly very difficult to find. The premature accession of Bulgaria and Romania has left visible evidence of this. Clearly the implementation of the reforms both "efficiently and effectively"[18] has always been a problem, leading to a lack of confidence in the will and ability of governments to succeed. There has been greater mistrust due to the post-accession excesses of several countries in the 5th enlargement. The moment has now come to review the membership process to give substance to the European perspective of the Balkans, whilst guaranteeing smooth accessions. This revision might take the following path:

---

18. The European Council of Madrid, in 1995 added this condition to the membership criteria of Copenhagen of 1993, to ensure that reforms would effectively pass the tests to the field.
European Union-Western Balkans: for a revised membership negotiation framework

Firstly, the Council of October 2019 should honour the conclusions of the Council of 26th June 2018 which "set the path to the launch of membership negotiations in June 2019" with Albania and North Macedonia. These conclusions were accompanied by the commitment of these two countries to continue reform. We might say that they are doing this, despite a difficult context. The credibility of the Union and particularly of France, is in the balance here, notably after the historic agreement of Prespa;

The French President hopes that the Union would reform before it enlarges[19]. Many Member States scorn this French refrain that seems to oppose ‘deepening’ and ‘enlargement’. It has to be admitted that without consensus regarding the policies which divide and weaken it, the EU will be taking risks with any further new memberships. The Commission incidentally suggested these reforms itself[20]. Reform and the opening of membership negotiations are not mutually exclusive processes, since the length of the latter can be long. Also, on condition that the negotiation framework is revised;

In exchange for the progress of Albania and North Macedonia, the Council could ask the Commission to put forward a renewed framework to introduce realism, transparency and logical progress in negotiations. These would follow the new framework. In the meantime, the Commission would analyse the community acquis (also called screening). This assessment might be extended to Bosnia-Herzegovina and Kosovo for the purpose of education and the saving of resources;

Parliamentary representatives, local authorities and civil society (Chambers of Commerce, professional organisations and NGO’s) from the candidate countries should be widely included in the screening; they should also be included formally during the Commission’s entire monitoring[21] process, since the checks and balances are so weak in contrast to the omnipresence of the executive powers[22]. This demands that we seek more support from professional organisations in civil society;

Likewise, the latter might hold, jointly with the European Parliament, ‘annual membership conferences’ designed for European public opinion to review the process with the representatives of the parliaments of the Member States and civil society (Business Europe, Eurochambers, think tanks). It will also be necessary to review the very spirit of article 49 TEU, to speak of membership rather than enlargement, since the latter leaves room for the idea that it is the "Brussels machinery" which is pushing the expansion of the Union;

As part of a renewed framework membership be achieved in two stages. The first of these would be concluded by the adoption of internal market obligations in the wide sense of the term, placing the candidate country in a similar situation to that of a member of the European Economic Area. It would lead to the reception of 60 to 70% of the structural funds, which would have increased from the initial 20%, according to the principle of "more for more". The country would progressively take part in the Councils regarding the policies whose obligations it has already adopted;

The second stage would conclude with the adoption of other policies, but especially by the observation, over a period that would be as long as necessary, of an implementation of the commitments in the field (track record), as well as the respect of the Union’s principles and values and the bilateral agreements that the country has concluded. Any shortfalls would be sanctioned financially. The satisfaction of all of the conditions would win total membership and 100% access to the structural funds. The country would then be a full member and would take part in all of the Councils;

This probational period would avoid the possible introduction of a post-membership monitoring mechanism – whose limited added value has been witnessed with Bulgaria and Romania – and would reduce the risk of post-accession excesses. It would facilitate a progressive socialisation, especially since until full membership observers would be able to sit in Parliament, the Committee of Regions and the Economic and Social Committee before taking part fully after membership. Likewise, the country would have to be closely involved in the new policies and

20. In its communication dated 6th February 2018 “Preparing the Union to receive new Members”.
European Union-Western Balkans:
for a revised membership negotiation framework

their tools, such as the European Defence Fund and the Green Deal, promoted by the new Commission.

It is probable that this kind of approach would lead to criticism on the part of the candidate countries, as they would be concerned about being “second class” Member States for a time. But access to the structural funds would be tangible proof of the Union’s commitment. Together with reform, it would lend the process credibility, logic and transparency. The renewed negotiation framework would help the adoption of necessary reforms, whilst enabling the Union to prepare for memberships and its public opinion gradually to accept them.

The future President of the European Commission, Ursula von der Leyen, has promoted the triptych of “security, sovereignty and influence” for the new Commission’s work. Wouldn’t it be amongst our neighbours in the Western Balkans that the proof of its success be brought first?

Pierre Mirel
Director at the European Commission 2001-2013
(DG Enlargement)
Senior Lecturer at Sciences Po-Paris

You can read all of our publications on our site:
www.robert-schuman.eu

Publishing Director: Pascale JOANNIN