



BiEPAG



Policy Brief

EU Enlargement in the Western Balkans in a Time of Uncertainty

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Strategies for the Balkans in an Uncertain World

In recent months, Europe has moved into great uncertainty. This uncertainty threatens to unravel some of the pillars of stability on the European continent that have been in place for decades. While since 2008 the global economic crisis has brought instability and threatened economic and currency collapse in Europe in several waves, the current crisis is more profound and its consequences are potentially further-reaching.

The European Crisis

What is this crisis? It is foremost a crisis of liberal democracy and of compromise-based decision-making and cooperation at the European level. Rather than viewing the uncertainty as a result of a series of individual developments and events, such as the Brexit vote in the UK, the presidential candidacy of Donald Trump, the near success of a far-right candidate in Austrian presidential elections, the increase in popularity of anti-immigrant far right parties in Europe, the consolidation of authoritarianism in Turkey, frequent ISIS-inspired terrorist acts in Europe, and xenophobic and anti-liberal governments from the Baltics to the Balkans, these are part of a larger pattern.

There is a groundswell of support for xenophobic, populist and anti-democratic parties and politicians from California to Ankara. Their programmes and demands are country-specific, and the ability to hold them in check depends on the strength of institutions and the strategies of liberal democratic forces. There has not been such a broad challenge to liberal democracy in the most advanced and consolidated democracies since the end of World War Two. History is not deterministic, and there is no reason to believe that the challengers will succeed, at least not everywhere. However, the challenge is real and dangerous. Several key tests lie ahead, such as the U.S. presidential elections, the French presidential elections and the re-run of the Austrian presidential elections, just to name a few. Yet,

established certainties have crumbled, leading to the United States being confronted with a presidential candidate who openly wants to mark and deny entry to people based on their religion and build walls against immigrants, Austria seeing nearly 50% support for a candidate from the far right and governments in Poland and Hungary dismantling democratic institutions. The Brexit vote constitutes the first popular decision of a member state to leave the EU, resulting in the second largest economy of the EU leaving the Union, even if the how and when remain uncertain.

The Ripple Effect: How the EU Crisis affects the Western Balkans

Western European democracies have well-developed civil societies, strong political parties and established media that can provide a bulwark against these challenges. Whether they will succeed remains to be tested. However, the uncertainty deriving from the current political dynamics constitutes a greater risk in countries without such structures. For example:

Democracies in Southeast Europe are more fragile. They have been backsliding for nearly a decade and a number of countries are governed by semi-authoritarian leaders whose commitment to democracy is lukewarm at best. The main driving force for democracy and reform has been EU integration and the close cooperation with the countries of Western Europe that provide (and have done so for decades) a model, a partner and a goal for many citizens. This attraction has been powerful, yet its ability to provide an incentive for countries to reform, to strengthen democratic institutions and to result in reform-oriented liberal democratic governments has been limited at the best of times—and now is not the best of times.

The main magnet for change in the Balkans has dramatically reduced its intensity:

1. Since 2008, it has lost its economic attraction as some countries in the EU have struggled with the economic crisis, high-debt and impoverishment.
2. Since 2010, the rise of Viktor Orban in Hungary, the EU no longer has a credible claim that membership can safeguard democratic institutions.
3. Since 2015, with the badly prepared response of EU members to the influx of refugees and the rise of both anti-immigrant sentiment and the number of terrorist attacks by ISIS-inspired or -supported individuals or groups, the sense of stability and certainty in the EU has also declined.

Thus, the EU no longer provides the seeming certainties of economic prosperity and even convergence with the wealthier countries of Europe, the offer of democratic institutions and their stability, and the certainty and predictability of stability that citizens experienced.

Consequently, the previous reasons for aspiring to join the EU and thus for implementing a Western European model of governance, economy and social organisation no longer appear to be an obvious choice, as they used to. The relative (yet declining) support for this project in the Western Balkans can be attributed to two factors: a) inertia, i.e. the continued support for a model that might no longer exist, and b) the absence of an alternative, as other relevant political and economic actors (Russia and Turkey) are unable to offer a coherent model to emulate—even if aspects of their system might appeal to individuals either seeking more authoritarian systems of rule or nostalgically imagining kinship with the two countries.

It would be naïve to believe that these factors would prevail for a period sufficiently long to overcome the current uncertainty.

The Symbiosis of Eurosceptics and Balkan Authoritarians

Not only is the magnet of the EU weak, it is also self-isolating. While currently the formal mechanisms of EU enlargement and support for reform continue to function, at least at a technical level, the uncertainty outlined above is likely to bring about a further weakening of the EU and especially Western European governments' commitment to reform and democracy in Southeast Europe. The Brexit discussion will take years and make the EU much more inward-looking. Potential copycat referenda might make the British exit from the EU not a one-off event. Furthermore, the potential electoral success of far-right parties will have clear negative repercussions: it seems likely that parties that oppose the EU and certainly reject enlargement will gain greater prominence in several EU countries. Where they do, they will use their power to slow down or stop enlargement and support to the Western Balkans. Considering widespread opposition to enlargement, such a push against enlargement is unlikely to meet much resistance. Even if far-right parties fail to join governments, mainstream parties are likely to feel under pressure to adopt some of the policies of the far right. Thus, EU member states are likely to move towards more Eurosceptic and anti-enlargement positions.

The symbiotic relationship between authoritarian strongmen outside the EU and Eurosceptics within it is likely to strengthen. Both fetishise sovereignty and majoritarianism over consensus-seeking and cross-national compromise, both are latently or openly xenophobic and they prove each other's points: For Eurosceptics, authoritarianism outside the EU is evidence as to why enlargement and cooperation (beyond *realpolitik*) with countries in Southeast Europe (including Turkey) is a mistake, while it allows authoritarian leaders in Southeast Europe to promote narratives of rejection and victimhood.

This dynamic will mean for the coming years that EU enlargement and the reforms associated therewith will become increasingly implausible and remote. Governments inside and outside the EU will move away from liberal democracy

and experiment with alternative models of authoritarianism. There will be a level of cooperation among anti-EU governments and parties, yet the intensity of cooperation will be opportunistic and not strategic, as their domestic legitimacy is not based on cooperation and integration. This is likely to bring about greater tensions and conflicts. If semi-authoritarian regimes openly abandon the claim to pursue reforms and EU integration, they will need new sources of legitimacy, which is likely to draw on nationalism and xenophobia. The greatest risk is that these types of government find a new model of rule that no longer makes a claim to reforms, but openly defines an alternative source of legitimacy. Such a form of government would be authoritarian in substance, incorporating strong elements of plebiscitary and majoritarian decision-making and overruling legal and institutional safeguards for minorities (political, ethnic, sexual or otherwise).

These forces will not be unopposed. First, the Western European model of government has been resilient for over 70 years and offered greater prosperity and stability to its citizens than any other model. Thus, irrespective of institutional and structural crises, the attraction of this model is likely to remain, even if severely challenged in the coming years. Taking a long-term view, the emulation of the Western model of government and economy has been a strong and (mostly) dominant current in Southeast European societies for nearly two centuries. In addition, the restrictions on personal freedoms and limited economic opportunities for most citizens of other models of government mean that there are currently no clear alternatives that would hold broad popular support.

The key factor is time: How long will the crisis of the EU and liberal democracy persist in the core EU? The longer the crisis is ongoing and challengers are able to threaten the key pillars of the European post-war order, the more likely it will be that countries in the Western Balkans will slide into long-term authoritarianism. If the EU is able to overcome the crisis posed by the Brexit vote and by Eurosceptic parties in the coming years, it can reclaim its role in promoting reform and enlargement.

As the source and engine of crisis is not found in the Western Balkans, the solution lies primarily in the EU itself. Yet, the crisis also highlights that reform processes in the Western Balkans have to be driven from within as outside actors might be unable or unwilling to play a decisive role.

Conclusions and Recommendations

In order to prevent further erosion of reform and democratic governance in the Western Balkans, the “business as usual” approach cannot work. The EU enlargement process has been proceeding, even with waning support in member states and more dubious commitment to reform by some governments in the Western Balkans. The ability of the EU to broker solutions to disputes continues, but it remains unclear whether it will succeed, as neither the crisis in Macedonia, nor increasing tensions in Bosnia and Herzegovina have been resolved.

The return to a successful process of democratization and EU integration requires the recognition that it requires stronger and broader domestic constituencies of change and more vigorous attention by the EU on the state of democracy.

RE-INTRODUCE MEANING INTO THE ENLARGEMENT PROCESS. The 2004 enlargement process was successful, *inter alia*, because it included a large number of countries all competing to join the EU. The current gradualist process lacks this dynamic, and countries are not in direct competition. This is why all the Western Balkan countries should be asked to draw up a action plans for Chapters 23 and 24 after a screening exercise, leading to their opening as soon as possible. This scenario would replicate the success of the visa liberalisation process, as it would encourage faster reforms, especially the establishment of an effective rule of law system, and increase the density of ties and linkages between the EU and domestic elites in the Western Balkans. At the same time, in order for the process to be successful, the Commission should stick to adopted principles, and name problems instead of hiding them behind ambiguous statements, as has been particularly the case in Macedonia.

EMPOWER DEMOCRATIC FORCES IN THE REGION. Western Balkan countries are predominantly characterised by traditional top-down illiberal power structures, whereby governments are at liberty to influence both

reforms and EU integration through a set of clientelistic networks and/or methods of more or less open pressure. It is essential to transform these networks so as to increase the influence of horizontally structured agents of change on policy making (i.e. NGOs, civil society organisations, independent investigative journalists, Ombudspersons, Commissioners for Information of Public Importance and Personal Data Protection, Commissioners for Protection of Equality, local business communities, etc.). In addition, efforts should be made to support constructive grassroots initiatives in the region. Civil society empowerment should strengthen expertise, capacities and technical organisation, and provide for regional (regional Ombudsperson network, regional media outlets such as the N1 TV which broadcasts simultaneously in Serbia, Croatia and Bosnia and Herzegovina, etc.) and international networking possibilities. Finally, EU officials should regularly engage in direct communication with citizens, as this will allow the citizens to name and shame those elites who do not follow up on their declaratory support for EU integration. This being said, the Committee of Regions and the European Economic and Social Committee should already begin inviting permanent observers from local and regional authorities and the sectors represented in the ESC.

LINK ENLARGEMENT AND ECONOMIC DEVELOPMENT. EU accession is the main driver for economic development in the Western Balkans. Yet, the socio-economic aspect of enlargement does not seem to be properly addressed in the region. Hence, the EU should prepare a short roadmap for each of the aspiring member states on what to do in order to improve the investment climate after consulting with local business organisations and international donors. National-level meetings with chambers of commerce and EU and other relevant actors should be organised to discuss implementation of specific EU directives that change and improve business conditions.

FOCUS ON EDUCATION AND INNOVATION. Particular attention should be dedicated to investments in education, skills, innovation and applied research. Special focus should be put on efforts to create a policy framework for facilitating and financially stimulating the return of young scientists from the region who are studying abroad, as well as on engagement with the diaspora. A good example of this practice can be seen in Croatia, where

the Government of the Republic of Croatia is conducting a NEWFELPRO fellowship project that aims to reverse brain drain by encouraging outstanding Croatian researchers to return to Croatia. This project is co-financed through the Marie Curie programme. In addition, it is necessary to link Instrument for Pre-Accession Assistance (IPA) programmes to vocational training and projects that reduce youth unemployment. A special line should be created to finance applied research in the region. Currently, local universities and research centres are not competitive with their EU counterparts. This can be observed in the mere handful of applications for the 2016 Jean Monnet Programme coming from the Western Balkans. After the termination of the RRPP Programme financed by the Swiss Development and Cooperation Agency, there are no funds offered exclusively to research institutions in the Western Balkans.

CLOSELY MONITOR THE STATE OF DEMOCRACY. Serious backsliding in terms of democracy and freedom of the media can be observed throughout the region over the past few years. Yet, the EU has remained rather silent on such developments, even when confronted with concrete evidence, as in the case of the wiretapping scandal in Macedonia. While the EU continues to focus on the smart design of formal institutions, it seems that it is also willing to short change the state of democracy for the sake of other reasons, most notably the stability of the region. However, if things continue as they are, then an Orban-like Balkans would result not only in less democracy but also in less stability as can presently be observed in Bosnia and Herzegovina. The EU needs to focus on monitoring the aspiring members on their paths to stable and prosperous democracies governed by the rule of law. It should also pay greater attention to the whole forest and not just the trees along the way. This issue should be regularly addressed in annual progress reports as a new chapter focusing on core Copenhagen criteria. Moreover, the European Fundamental Rights Agency could expand its scope of work to cover all the (potential) candidate countries by means of regular assessment on specific legal and political measures concerning democracy promotion. Finally, it is very important that the EU continues to use local expertise in this matter. Collaboration with credible civil society organisations from the region should be further institutionalised via regular channels of communication, for example through commissioning regular ‘shadow’ reports on the state of democracy.

IPA. First of all, bearing in mind the economic disparity between the Western Balkans and the EU, it is necessary to increase IPA funding. Together with the beneficiaries, the European Parliament and Commission should fine-tune the list of priority projects and institutions to be funded. Civil society should be included in the monitoring of the implementation of IPA-funded projects.

A particular focus of the IPA mechanisms should be directed towards strengthening the expertise, capacities, technical organisation and independence of previously listed credible regulatory agencies and civil society actors. In addition to continuing support for regionally established bodies, such as the RCC, the South-East European Cooperation Process (SEECP), the Regional School of Public Administration (ReSPA), etc., IPA funds should also foster the creation of regional and international networks of democracy promoters (i.e., regional network of anti-corruption agencies, regional network of Ombudspersons, etc.).

Second, IPA funds should focus on projects that have an economic multiplier effect. This includes investments in the quality of regional infrastructure (railways, highways and renewable energy), as noted in the 2015 Western Balkans Connectivity Agenda. Most of these projects are extremely expensive, and this is why the EU and the beneficiary countries should coordinate these investments with grants and loans of other international donors, as well as the unused IPA II funds. Such coordinated efforts will be better able to help efficiently complete priority infrastructure projects.

Third, the EU should enhance the training of public officials, particularly those at the local and regional levels, for effective management of pre-accession assistance. It should also lower the criteria necessary for regional civil society actors to bid on EU funds.

Finally, in managing IPA funding, the EU should propose the ‘more for more’ principle whereby it would provide a regional pot of money from which Western Balkan countries would be able to draw funds on a competitive basis.

About the Balkans in Europe Policy Advisory Group

The Balkans in Europe Policy Advisory Group (BiEPAG) is a co-operation initiative of the European Fund for the Balkans (EFB) and Centre for the Southeast European Studies of the University of Graz (CSEES) with the aim to promote the European integration of the Western Balkans and the consolidation of democratic, open countries in the region. BiEPAG is composed by prominent policy researchers from the Western Balkans and wider Europe that have established themselves for their knowledge and understanding of the Western Balkans and the processes that shape the region. Current members of the BiEPAG are: Florian Bieber, Dimitar Bechev, Milica Delević, Dane Taleski, Dejan Jović, Marko Kmezić, Leon Malazogu, Corina Stratulat, Marika Djolai, Jovana Marović, Nikolaos Tzifakis, Natasha Wunsch, Srđan Cvijić, Nikola Dimitrov, Mirna Vlašić Feketija, Milan Nič and Vedran Džihic.

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About the European Fund for the Balkans

The European Fund for the Balkans is a joint initiative of European foundations that envisions, runs and supports initiatives aimed at strengthening democracy, fostering European integration and affirming the role of the Western Balkans in addressing Europe's emerging challenges.

The up-to-date programme strategy is based on three overarching areas – Capacity Development, Policy Development and Regional Cooperation - and channelled via flagship programmes and selected projects, complemented with a set of actions arising from EFB's regional identity as a relevant player in its fields of focus.

Their synergetic effects are focussed on continuous “Europeanisation” of the policies and practices of the Western Balkans countries on their way to EU accession, through merging of the region's social capacity building with policy platform development, and a culture of regional cooperation.

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About the Centre for Southeast European Studies, University of Graz

The Centre for Southeast European Studies was set up in November 2008 following the establishment of Southeast Europe as a strategic priority at the University of Graz in 2000. The Centre is an interdisciplinary and cross-faculty institution for research and education, established with the goal to provide space for the rich teaching and research activities at the university on and with Southeast Europe and to promote interdisciplinary collaboration. Since its establishment, the centre also aimed to provide information and documentation and to be a point of contact for media and the public interested in Southeast Europe, in terms of political, legal, economic and cultural developments. An interdisciplinary team of lawyers, historians, and political scientists working at the Centre has contributed to research on Southeast Europe, through numerous articles, monographs and other publications. In addition, the centre regularly organizes international conferences and workshops to promote cutting edge research on Southeast Europe.

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