

European Integration of the Western Balkans - Can the Visegrad Group Countries Serve as Role Models?



Supported by:



The year 2014 marked a decade of the biggest enlargement in the history of the European Union (EU). The “Big Bang” enlargement brought new priorities, new challenges and new actors to the EU scene. For that reason, 2014 was the year of the comprehensive assessment of achievements and failures of the enlargement. There was a serious re-examination of the existing policies, including the enlargement policy, and launching of new ones. It is evident that new priorities emerged in the negotiating process with the candidates and potential candidates for the EU membership, and that the relative weight of the EU Eastern Policy comparing to the enlargement towards the Western Balkans has increased. There is a general view that the enlargement policy has been

one of the most successful policies of the EU, greatly influencing the developments in new member countries but also changing the EU itself and its international position. But the process was not linear and uniform and the changes have not always been irreversible.

The project European Integration of the Western Balkans - Can the Visegrad Group Countries Serve as Role Models? aimed to identify practical lessons for Serbia and the Western Balkans (WB)¹ which could make

¹ After Croatia joined the EU in 2013, the Western Balkans includes four candidate countries: Albania, Macedonia, Montenegro and Serbia and two potential candidates: Bosnia and Herzegovina and Kosovo* (this designation is without prejudice to positions on status, and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo declaration of independence).

the EU enlargement process towards this region faster and more efficient. The collection of papers from four “new” EU member countries (the Czech Republic, Hungary, Poland and Slovakia) and one candidate country (Serbia) deals with the results of the great EU expansion in 2004 and its impact on internal reforms in the Visegrad Group countries (V4), as well as related adjustments within the EU.

The balance of enlargement/accession for the V4 countries (successes and failures) is examined by each think tank organization.² They provided five overviews of the results achieved in: 1) the field of foreign and security policy, 2) functioning of democratic institutions and the public administration reform, 3) use of EU funds, with the impact on functioning of their economies and social systems, and 4) importance of regional structures during and after the EU accession. Achievements of the V4 countries in these areas since joining the EU have been an important incentive both for the Western Balkan countries and the EU in justifying further enlargement efforts, but also in identifying key strengths and weaknesses of the process. It was examined which interest groups were the main carriers of the integration processes, as well as what kind of political and institutional support they had. The same analytical procedure was used to determine the current position of Serbia, the progress which has been made, the biggest laggings, the sources of support, as well as the deceleration in the reform and European integration process. Each analysis includes recommendations to Serbia and WB countries in the proposed areas.

The V4 countries had a successful cooperation during the pre-accession period, which has been partly emulated by the Western

Balkan countries. There were formal and informal formats of cooperation, which were combined: CEFTA, as a contractual arrangement, and V4 as an informal high level forum for exchanging views on foreign policy and security issues and coordinating some of the related policies extending the areas of consultations after joining the EU. The Western Balkan countries have a myriad of cooperation arrangements in different areas led by CEFTA 2006, as an adjusted arrangement following the original CEFTA arrangement of V4 countries. The main assumption of this specific project is that there is a regional dimension in sharing experiences of the EU integration process both in the case of the V4 and the Western Balkans which justifies the chosen sample of countries for the analysis.

The project’s target groups are primarily decision makers in the proposed policy areas in Serbia and the Western Balkans. In the V4 countries and the EU, target groups are primarily those institutions, political and expert groups involved in the execution or approval of the enlargement policy.

Besides long-term cooperation of partner organizations, the project is meant to lead to cooperation with other Western Balkan organizations and major think tanks dealing with the enlargement process and the region, in order to be included in the mainstream debate in Europe and contribute to the creation of appropriate measures and policies for successful integration of the Western Balkans into the EU.

The project is expected to provide a framework for new endeavours, which would deal with the lobbying of different target groups in the V4 countries and EU for faster European integration of the Western Balkan region. Such a project would promote candidates and potential candidates in the region, and prepare political circles and wider public in the EU and V4 in particular for new members offering sound propositions and arguments for further enlargement.

² Center for Eastern Studies (Warsaw), CEU Center for Enlargement Studies (Budapest), European Movement in Serbia (Belgrade), EUROPEUM (Prague), and Slovak Foreign Policy Association (Bratislava).

General findings

The initial position and unanimous political will of all V3 (1991) countries after the fall of the Berlin wall and later V4 (after dissolution of the Czech and Slovak Federal Republic in 1992) was to join the EU and NATO and to leave all the structures of the former Soviet block which collapsed soon after. Joining both organizations was a symbol of the return to the Free World from which they were excluded after the World War II. Creation of highly institutionalized regional structures among them was not on the horizon at that time, and it was only the pressure of the EU that made possible the establishment of CEFTA (1992) as their joint contractual arrangement on free trade. But, the Visegrad group emerged spontaneously, as an informal consultative framework on foreign policy, security and defence issues, contributing to the increased level of mutual confidence among the four countries and addressing similar issues they had in these areas.

In Serbia, the pre-accession situation is considerably different. The association and accession negotiations with the EU and cooperation with NATO developed in the post-conflict environment, with many unsolved issues with neighbours. The political will to cooperate regionally with other Western Balkan countries appeared only after certain structures, developed under the pressure of the EU, proved to be beneficial for all (i.e. Stability Pact for South Eastern Europe, CEFTA 2006, Energy Community Treaty, Transport Observatory for SEE and others). Other, parallel line of building mutual confidence in the region was through the South East Europe Cooperation Process (and Regional Cooperation Council as its operational arm), launched in the wider Balkan context in the year 1996. The growing political willingness to cooperate regionally manifested itself in dozens of new regional structures and initiatives emerging since the second

half of the previous decade. This provides an appropriate ground for opening a permanent dialogue of the Western Balkan countries with the V4.

Today, EU accession represents the number one foreign policy priority in Serbia. Regional cooperation is stated to be the second one. Good relations with Russia proved to be the third, as well as increased cooperation with NATO as the fourth priority. These priorities show the complex and ambivalent foreign and security policy of Serbia which due to the Ukrainian crisis made it impossible for it to harmonize its positions with the European foreign and security policy stances in the extent it was done before.

Regarding the adoption of the *acquis*, the consequent institutional changes, and public administration reform in particular, experiences of the V4 provide a good guidance for Serbia and other countries in the region. Generally, the achievements in the V4 countries were considered satisfactory, although there were some failures and backwards driving processes, especially after the outbreak of the economic crisis in the EU. Internal economic, social and political answers to the crisis were different from country to country, and they brought different results. Thus, Poland became the most successful new member of the EU, not affected by the crisis; Hungary slid from the leading position to the last; while Slovakia and the Czech Republic remained in between. In general, democratic institutions were consolidated, national administrations reformed, and territorial decentralization accomplished in all V4 countries. However, transposition of the EU institutional patterns proved to be rather shallow and jeopardized by external and internal unfavourable developments.

Serbia and other Western Balkan countries are just at the beginning of this road, with the great burden of large and inefficient administration and with only partial and fragmented reforms in that area. Association

and accession negotiations with the EU contributed considerably to the establishment of negotiating structures and supporting institutions and improvement of the intra- and inter-institutional coordination.

Regarding EU funds, V4 countries underlined their crucial impact on speeding up social and economic development, narrowing the gap between them and the “old” EU members, and decreasing income inequalities in some cases. They provided key inputs in development of infrastructure, regional and rural development, expansion of small and medium businesses and employment, as well as improvements in the areas of science and innovation. The main problem was the limited capacity for absorption of these funds which in some cases left almost half of allocated resources unused.

Serbia and other Western Balkan countries had the same problem of low absorption capacity, primarily due to the poor strategic planning of projects and programmes to be supported from the Instrument for Pre-Accession Assistance (IPA) funds. Limited management, monitoring and evaluation capacities, as well as disregarded sustainability of projects were some of other key problems in using EU funds. Despite all these difficulties, EU was the main donor and the greatest source of know-how for the countries in the region anchoring their overall reforms to the European future.

Lessons to be learned

For all four Visegrad countries accession to both the EU and NATO are success stories. However, the economic effects of EU membership are not immediately visible and there are no automatic benefits. It took V4 countries about ten years to catch up. This is a matter that should be discussed more in the Western Balkans.

Presently, the Western Balkan region is composed of five countries and Kosovo entity with a population of about 20 million and a total economic output comparable to that

of Slovakia alone. This is a clear sign that the region should find a way to improve its economy in order to follow-up to the political engagement taken more than a decade ago. The small size of all Western Balkan countries should be underlined so that, even if they are less developed, the cost of their membership will be minimal.

It is crucial to deal with the ‘frozen problems’ in the region that can explode at any time, considering the relatively low economic development level (30-36% of the EU average) – Bosnia and Herzegovina’s internal structure; Kosovo’s status; and name issue of Macedonia.

There are still many obstacles to the enlargement process in the Western Balkans caused by the economic crisis and ‘enlargement fatigue.’ The recent statement by the newly elected President of the new European Commission, Mr. Jean-Claude Juncker that no further enlargement will take place over the next five years sent a negative message about the future perspectives of EU enlargement. The region, indeed, is facing continuous domestic obstacles on the way to the Euro-Atlantic integration: first, internal disagreements; second, reforms which must be accelerated and consolidated; third, democratic foundations in some of the countries remain fragile; fourth, political leaders bear a huge responsibility to overcome differences in order to steer their countries and the region towards better governance; fifth, frequent ethnic turmoil.

Moreover, the enlargement environment is more disintegrated than ever with diverse paces of integration both in the EU and Western Balkans. There is a different negotiation technique required in comparison with the earlier times (more chapters, interim benchmarks, equilibrium clause and additional emphasis on economic criteria). Serbia and the region should adapt to the new model and use the current ‘enlargement fatigue’ wisely to prepare themselves both technically and administratively for the membership in the years to come.

Recommendations

From five case studies the following recommendations could be summarized:

To Serbia and other Western Balkan countries

Continue the implementation of necessary reforms regardless of the progress in the EU integration process. The reforms as such are helping to modernize the countries and are beneficial for them. In times when enlargement policy is not given the priority in the EU, the focus should be on technical/sectoral aspects of the integration process.

Economic development should be a key priority. The enlargement policy is a framework of modernization of state and economy, and its aim is to prepare the country for competition in the common market. The better a country is prepared for the accession, the more benefits it can reap from membership.

Public Administration Reform, as it was underlined by the EU, has become the corner stone of all other reforms and is targeted as one of the pillars of the enlargement process. It is also a precondition for the implementation of other reforms, and must follow all sectoral adjustments to the *acquis*. All Western Balkan countries have rather limited administrative capacity. Therefore, exchanging experiences regarding the implementation of the *acquis communautaire* would be useful both on governmental and non-governmental levels.

Initiate and/or support joint projects aiming at European integration with partners from Visegrad countries. Though the experience of V4 countries from the integration process might seem outdated, the V4 countries can still provide WB countries with adequate experts that have

direct experience with the accession process. In addition, V4 countries have ten years of experience working inside the EU institutions.

Balkan region is full of unsettled bilateral issues and they should be handled with care and in a timely manner, as it sometimes seems that a country has to negotiate more with its neighbours than with Brussels. Europeans are afraid that, entering the EU, the Balkans would bring instability. Working on solutions of bilateral problems would help convince EU members that Balkan countries are not a threat to proper cooperation in the EU.

Regional cooperation in the Western Balkans is progressing, but with an uneven pace to a great extent due to the changing regional and European environment. It was mostly an externally driven process structured as a coordination mechanism for promoting different types of regional cooperation. Consequently, the interstate cooperation has remained limited and regional cooperation has developed only to the extent that it remained oriented towards common goals referring to the future, without involving issues related to the contested regional past. Common stance would strengthen the position of Western Balkan countries in their relations with the Commission. In that context, specific attention should be paid to the newly established Western Balkan Fund, which was inspired by the International Visegrad Fund.

To the European Union

Promote enlargement as a mutually advantageous process. The Western Balkans is not a part of the problem but a solution to the EU problems in the fields of energy security and fighting organized crime. The Enlargement Policy has been a

tool to foster stability beyond the EU borders. Failure of this policy would probably lead to growth of instability around the European Union; in the longer perspective this would negatively affect the security of the EU, both internal and external. At the same time it would weaken the position of the EU vis-a-vis other global partners.

The EU has set the bar higher than in previous enlargements. Its ongoing internal challenges resulted in less dedication to the region (mixed accession signals, small incentives). The EU should step up and speed up its engagement if it wishes to leverage its influence. In other words, it ought to replace its 'waiting room policy' with a policy of explicit benchmarks and a timetable to indicate clearly factors for success or failure.

"Denationalization" of enlargement policy is needed. Using accession process as leverage against candidate countries has weakened the credibility of the EU policy towards the region. The repetition of that situation should be avoided at any cost.

EU should also focus on new communication strategy to address the problem of "accession fatigue" in the Western Balkans. In this region EU is perceived mainly as a source of funds and as an economic project. Due to the crisis, the EU is losing its attraction. The emphasis should be placed on the EU as a chance for building an effective, democratic state. At the same time, the EU representatives should avoid interventions that are questioning the commitment to democratic values.

Incentives for "less successful states," such as Bosnia and Herzegovina and Macedonia, should be provided through new diplomatic initiatives of the EU and the leading member states, and the divergent views on Kosovo's status between the EU member states that recognised its independence

and those that have not should be addressed. Complete the Stabilisation and Association process with Kosovo and sign the SAA without any delay.

Intensify diplomatic and political communication with Western Balkan states (renew the dialogue on enlargement at the highest level – EU-WB Summit), particularly in the context of aligning their foreign policies with the CFSP, especially given the increasing influence of the Russian Federation on some of the countries in the region (Serbia, Macedonia and Bosnia and Herzegovina).

Support by all means the intensification of regional cooperation in the Western Balkans and provide the most viable and most efficient regional initiatives with adequate financial support. Strong regional cooperation is increasingly pursued not only because it is a precondition for EU integration, but a genuine necessity and a value *per se*.

The open bilateral issues are questioning the credibility of the EU and one of its most successful policies. The EU should not allow open bilateral issues to interfere in the enlargement agenda – otherwise this may bring about a spiral effect and other divisions. Generally applicable resolution principles/mechanism should be devised.

The communication of progress reports should be changed. This comprehensive opinion on the state of each country can be used as a powerful tool of the civil society and media for the evaluation of achievements and failures of each government. However, to achieve that, they need to be more transparent and intelligible. The component of competition between the countries should also be introduced, as that will put more pressure on governments to introduce reforms.

There should be a continuously strong commitment by the EU member states to the state building process in the Western Balkans. Transfer of know-how and experiences, from the EU but also intra-regional, in tackling common challenges: building the missing infrastructure - transport, energy, environment; further democratisation, good governance, rule of law, fighting organized crime, corruption, judiciary; socio-economic development, fighting poverty; but also human capital improvement.

How to lobby for the EU membership of Serbia and other WB countries in the period of substantial reforms in the EU and frozen enlargement?

Serbia and other Western Balkans countries should strengthen their relations with EU members who support enlargement policy. These countries would be the best advocates of enlargement policy in the European forum.

The common strategy addressing the major concerns of EU citizens related to further enlargement should also be development. Data base analysis of consequences of enlargement to the Western Balkans would be a useful tool in convincing those who oppose this process.

Both Serbia and the rest of the Western Balkan countries should keep having and enhancing their relations with the EU and its member states in order to convince them that they are serious about carrying out the reforms and improving the standards of living in their respective countries. They should hold more frequent face-to-face meetings with EU officials and politicians and secure media space for dissemination of the most important messages

and needs that concern Serbia and the rest of the Western Balkans countries.

They should work on improving their image internationally from the outset of accession negotiations. They should develop a comprehensive plan during the accession negotiations and make a better use of their diplomatic associations in the region and abroad.

They should organise more conferences and events to attract other member states' attention onto the region. Businesses and economy-related topic are always eye-catching, especially if the region joins forces to materialize such efforts.

They should make use of Croatia's recent membership. The activities of their official representatives in Brussels or elsewhere could help push forward the accession of the Western Balkan countries, even nowadays when EU membership is not a tangible reality.

V4 states are invited to support accession of Western Balkan states within the EU institutional framework, and the countries in the region to apply the positive experiences of V4 regional cooperation and build a regional identity modelled after that of Central Europe.

The V4 has a potential to become the core of a broader group of like-minded member states supporting the accession of Western Balkan countries to the European Union. The V4 countries are recommended to continue using the annual summits of the V4 foreign ministers and their Western Balkan counterparts to discuss openly the ways of concrete support and assistance. Besides high level representatives of the European Commission and EEAS, relevant Ministers from the most influential EU member states should be invited.

Research Forum is a program body of the European Movement in Serbia and a functional mechanism for involvement of relevant independent experts, members and associates of EMinS into research and analyses and/or advocating alternative public policies proposals in all domains that are relevant for the process of Serbian European integration.

The goal of the Research Forum is to support EMinS's advocacy efforts and improve quality of public policies through comprehensive, multidisciplinary and well-timed policy research.

*Kralja Milana 31/II
11000 Belgrade
Republic of Serbia
tel: + 381 11 3640 174
fax: + 381 11 3640 202*

www.emins.org

Establish a standing *Forum for Cooperation between the Visegrad Group and the Regional Cooperation Council* (which would meet twice a year), rallying policy makers, civil society and academia.

The grants provided by the International Visegrad Fund in the framework of the Visegrad + program serve as an important tool of cooperation among the V4 and Western Balkan countries. In this context, the support for concrete projects promoting joint actions on the EU level is therefore worth considering.

Authors:

Jelica Minic, President of the Forum for International Relations, European Movement in Serbia; *Dragan Djukanovic*, Researcher at Research Forum of the European Movement in Serbia; *Tomas Strazay*, Senior researcher at the Research Center of the Slovak Foreign Policy Association; *Hana Semanic*, Research assistant at the Center for EU Enlargement Studies, Central European University; *Marta Szpala*, Senior Fellow at the Centre for Eastern Studies (OSW); *Michal Vit*, Research Fellow at the Institute for European Policy EUROPEUM.

Editor of the policy study is *Jelica Minic*.

*The summary is written as part of the project *European Integration of the Western Balkans - Can the Visegrad Group Countries Serve as Role Models?* implemented by the European Movement in Serbia (Belgrade), Center for Eastern Studies (Warsaw), CEU Center for Enlargement Studies (Budapest), EUROPEUM (Prague), and Slovak Foreign Policy Association (Bratislava).*

The project is financially supported by the International Visegrad Fund.

Opinions and attitudes expressed on all web pages and in all printed materials related to the project are opinions and attitudes of the authors and their associates only and as such do not necessarily represent either the official views of the European Movement in Serbia, International Visegrad Fund, or any of involved partner organizations.