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Integration of Western Balkans towards EU

Dr Erjola Xhuvani¹, Dr Edit Kane²

¹ Lecturer, Wisdom University Collage, Albania

² Vice Dine, Business University Collage, Albania

Abstract

In 2003 the EU declared that “the future of the Balkans is within the European Union”. Initially it adopted a generous strategy that linked the timetable for accession to the pace of reform in the Western Balkans. Accession is now explicitly dependent on factors outside the control of candidate and potential members. There is a mutual interest of EU member states and the Western Balkans to implement reforms and to form a framework for long-term stability which can counteract these negative trends. The EU offered a European perspective for these countries, which proved to be an essential part of the long-term, democratic state-building process. Recently EU faced the Brexit phenomenon of UK which effected several sectors such as finance, economy and defense. European Union fatigue from its recent enlargement and Brexit of UK slows down the integration process of Western Balkan countries. To give a detailed view of this process, challenges and obligations that should be faced during this long road, I drafted the article on the integration of WB towards EU. I will point out the reasons why the Europe was doubtful about Western Balkan EU membership, the willingness and the positive results of WB with regard to EU membership. Based on these outcomes I will explain why the EU decided to develop its enlargement policy towards the Western Balkans. The aim of this article is to introduce to the reader the mutual reasons of cooperation between the WB countries and the European Union.

Keywords: integration of western Balkans, European policies, European Union, EU enlargement, potential candidate countries

1. Introduction to the European Integration Process

The countries of the Western Balkans are committed to integrating into the European Union. The focus and effort of their institutions are directed at meeting the criteria in order to achieve this goal. These countries’ membership in the European Union would provide a great opportunity to become part of a community of nations that aims to advance peace through economic, political and cultural co-operation between member states. The European Council held a meeting in Thessalonica on 19 and 20 June 2003 and adopted the “Thessalonica

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Agenda¹ for the Western Balkans: Towards European Integration” where a series of instruments including the European Partnership were promoted to intensify the Stabilization and Association Process in the region. The countries of the Western Balkans, including Kosovo, were promised a European perspective at this summit.

The Council’s declaration set out the extent of its commitment to the Western Balkans and what it expected in return for closer integration: “The EU reiterates its unequivocal support to the European perspective of the Western Balkan countries.

The future of the Balkans is within the European Union. The ongoing enlargement and the signing of the Treaty of Athens in April 2003 inspire and encourage the countries of the Western Balkans to follow the same successful path².

Preparation for integration into European structures and ultimate membership into the European Union, through adoption of European standards, is now the big challenge ahead. The speed of movement ahead lies in the hands of the countries of the region. The countries of the region fully share the objectives of economic and political union and look forward to joining an EU that is stronger in the pursuit of its essential objectives and more present in the world”.

The European Commission produced an ‘Enlargement Strategy Paper’, setting out the extent of its commitment to the Western Balkans which built upon those agreed at Thessaloniki in 2003. It recognized that: “The journey towards membership has value in itself, even in cases where accession is many years away. This journey is often difficult, so it is essential for the EU to stay engaged throughout the process and committed to the outcome³”.

The EU’s strategy for the Western Balkans contained a number of key elements which flow through and dictate dealings with potential candidate countries. These were as follows:

1. Regional Co-operation: Although tailored country strategies are considered important, there is also a strong regional dimension to the EU’s strategy which is based on a recognition that the Western Balkans as a whole needs to improve intra-political and economic relations if each individual country is to move forward⁴.
2. Conditionality: EU support is conditional upon ongoing, satisfactory and verifiable progress towards meeting EU standards in a broad range of policy areas.

¹The Thessaloniki Agenda for the Western Balkans (2003). Moving towards European Integration. [Online]. pp.10. Available at: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/en/gena/76201.pdf

²Tzifakis, N. 2007, *EU’s Region-Building and Boundary-Drawing Policies: the European Approach to the Southern Mediterranean and the Western Balkans*, Journal of Southern Europe and the Balkans, 9 (1), pp.9

³ Communication from the Commission (9 November 2005). Enlargement Strategy Paper, COM (2005) 561 final. [Online]. pp.3. Available at http://eur-lex.europa.eu/LexUriServ/site/en/com/2005/com2005_0561en01.pdf

⁴Dinan, D. 2009, *Institutionet e Bashkimit Evropian*, Adrilon, pp.49

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3. Tailored Country Strategies: Each country will progress towards the goal of accession based on its own merits, irrespective of how other countries in the region are progressing. Roadmaps for each country, along with priority areas for action are specific to each country and the situation that it is faced with.

1.1 Regional co-operation

The creation of a free trade area covering the whole South East Europe region, would “replace the complicated system of 31 bilateral trade agreements in South East Europe with a single pact”. Talks to extend the existing Central European Free Trade Agreement (CEFTA) began in April 2005 and concluded successfully in December 2006. Consequently, the existing CEFTA members: Croatia and Macedonia, have been joined by: Albania, Bosnia-Herzegovina, Serbia, Montenegro, Moldova, and Kosovo⁵.

1.2 Conditionality

In its 2005 Enlargement Strategy Paper the EU highlighted the importance of ‘conditionality’ by stating that “Enlargement policy needs to demonstrate its power of transformation in a region where states are weak and societies divided. A convincing political perspective for eventual integration into the EU is crucial to keep their reforms on track. But it is equally clear that these countries can join only once they have met the criteria in full”.

1.3 Tailored country strategies

The main vehicle for delivering on the Thessaloniki agenda, and its subsequent enlargement strategy, is known as the Stabilization and Association Process (SAP). Initiated in 1999, it amounts to a long-term framework or ‘road-map’ for relations with the Western Balkan states and aims to deliver stabilization and a swift transition to a market economy, the promotion of regional cooperation and the prospect of EU accession. Under the SAP, each Western Balkan state is offered preferential trade agreements and assistance, financial and otherwise, in promoting democratization, institution building and political dialogue⁶. In return, each state is obliged to agree on a package of EU measures designed to induce widespread political, economic and institutional reform.

There are two main stages in the SAP. During the first phase, the EU helps to implement a free trade area and supports individual states in their attempts to build institutions and adopt reforms in line with EU standards.

During this time, the Commission issues annual reports assessing what progress has been made. Once the EU is satisfied that each state is sufficiently stable (politically, economically and institutionally), it will recommend that the second stage of the process starts. This second

⁵GlogalEDGE (2017). CEFTA Introduction. [Online]. Available at: <https://globaledge.msu.edu/trade-blocs/cefta>

⁶Jacque, J. 2010, *E drejta Institucionale e Bashkimit Evropian*, Papirus, pp.97

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stage involves the creation of a Stabilisation and Association Agreement (SAA) between with the EU and each individual state⁷.

a. Stabilisation and Association Agreements

SAA are at the centre of the Stabilisation and Association Process. They place relations between the EU and the individual country on a formal footing and create a contractual relationship of mutual rights and obligations. They also help to prepare each Western Balkan country for future membership by introducing EU rules across a whole range of policy areas well ahead of accession. This is part of what is known as the ‘pre-accession’ stage, during which time countries are regarded as ‘potential candidate countries’.

The process for negotiating an SAA is largely common to all potential candidate countries but the speed at which each is concluded depends entirely upon the individual country and how quickly it is able to implement reforms demanded by the EU⁸. In practice, the EU tries to conclude negotiations as quickly as possible so as to minimize the state of limbo that can occur during SAA negotiations. The successful negotiation and conclusion of an agreement allows a potential candidate country to show that it is able to sustain more advanced relations with the EU.

b. European Partnership Agreements

After the SAA is signed, the reform process continues on the basis of the obligations contained in it and in a more detailed agreement which is agreed between the EU and each state. This is known as a “European Partnership Agreement”. A Partnership Agreement, like an SAA, applies to one country only and is tailored to its specific needs. It includes a list of short and medium term priorities for reform and outlines the financial and technical assistance that the EU will provide to the potential candidate country⁹.

c. Regular Progress Monitoring

Benchmarks for progress are included in the Partnership Agreements and the EU produces annual reports that assess the extent to which potential candidate countries fulfil what are known as the “Copenhagen Criteria”.

Each country has to demonstrate that it has stable institutions guaranteeing democracy, the rule of law, human rights and respect for protection of minorities, the ability to adopt the EU’s rules and standards (the body of law known as the ‘acquis communautaire’), a functioning market economy, the capacity to cope with competition and market forces in the EU, and finally, the capacity to take on the obligations of membership, including adherence to the objectives of political, economic and monetary union.

⁷D’Arcy, F. 2007, *Politikat e Bashkimit Evropian*, Adrilon, pp.59

⁸Zajmi, I. 2010, *E drejta Evropiane*, Adrilon, pp. 79.

⁹Ujkani, E. 2012, *E drejta e Bashkimit Evropian*, LexLibri Press, pp.47

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d. From 'Potential Candidate' to Candidate Country

Only once the EU is satisfied that sufficient progress has been made in the areas outlined above will it consider granting the country in question 'candidate status'. It is at this point that the process towards accession can accelerate. If the Council agrees to open membership negotiations at this point, monitoring will continue and a 'negotiating mandate' will be agreed.

This document acts as the framework for the accession negotiations and lists some 35 different policy areas ("chapters") where the candidate country must reach EU standards. Before negotiations can be opened on each different chapter, the Commission conducts a 'screening process'. This is a technical analysis of the candidate country's laws and regulations to help identify areas where there may be problems that need to be addressed.

All chapters have to be closed before candidate countries can move to the final stage of the accession process. During the final stage of the accession process, the results of the negotiations are incorporated in a draft Accession Treaty. Once it has been signed, the Accession Treaty is submitted to the Member States and to the acceding country to be ratified. When the ratification process is complete and the Treaty takes effect, the acceding country becomes a Member State.

e. Financial support

The EU supports the candidate and potential candidate countries during their integration processes through a system of financial assistance. Until 2006 EU funding to the Western Balkans was distributed largely via the CARDS (Community Assistance for Reconstruction, Development and Stabilization) programme, which aimed to support the participation of the countries of the Western Balkans in the Stabilization and Association Process. In the period 2000-2006, €4.6 billion was provided to this region for investment, institution-building, and other measures to achieve four main objectives:

1. Reconstruction, democratic stabilization, reconciliation and the return of refugees;
2. Institutional and legislative development, including harmonization with European Union norms and approaches, to underpin democracy and the rule of law, human rights, civil society and the media, and the operation of a free market economy;
3. Sustainable economic and social development, including structural reform;
4. Promotion of closer relations and regional cooperation among countries and between them, the EU and the candidate countries of central Europe.

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However, in 2007 the EU decided to change funding arrangements. From 2007 until 2013, the EU's strategy will be funded by a financial programme known as the "Instrument for Pre-Accession Assistance" (IPA)¹⁰. The main aim of the IPA is to:

[...] support institution-building and the rule of law, human rights, including the fundamental freedoms, minority rights, gender equality and non-discrimination, both administrative and economic reforms, economic and social development, reconciliation and reconstruction, and regional and cross-border cooperation. The IPA is based on "strategic multi-annual planning established in accordance with the broad political guidelines set out in the Commission's Enlargement package". This includes a multi-annual indicative financial framework (MIFF). The MIFF takes the form of a table presenting the Commission's intentions for the allocation of funds for the three forthcoming years, broken down by beneficiary and by IPA component, on the basis of the needs and the administrative and management capacity of the country concerned and compliance with the Copenhagen criteria.

2. The integration process of candidate and potential candidate countries

Candidate and potential candidate countries have to successfully implement the SAA and then to apply for the candidate status. As follows, I have pointed out the achievements and weakest points of the potential candidate countries, Albania, Bosnia and Herzegovina and North Macedonia in their integration road towards EU.

2.1 Albania

As the last of the Eastern European states to overthrow communism and with a legacy of international political isolation, Albania's experience of interaction with the EU is relatively not so long. In 1992 it entered into a Trade Agreement with the EU and in the intervening years has worked, with varying degrees of success, to implement domestic reforms in a bid to move towards EU standards.

On 12 June 2006, after three years of negotiations, Albania and the EU concluded an Agreement on a Stabilization and Association Agreement. The Albanian integration process has faced some delays during the last years. Actually Albania is implementing the Stabilization and Association Agreement, but seems it is making steps in place. In 2018, the Commission issued an unconditional recommendation to open accession negotiations. On 26

¹⁰ European Commission (2017). "Albania Financial Assistance under IPA II" [Online]. Available at: https://ec.europa.eu/neighbourhood-enlargement/enlargement-policy/overview-instrument-pre-accession-assistance/albania-financial-assistance-under_en

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March 2020, the European Council endorsed the Council's decision to open accession negotiations with Albania. This ¹¹decision was on 26 March 2020 and tasked the Commission to report on a number of issues to be addressed by Albania prior to the first Intergovernmental Conference, including progress regarding the track record.

As regards the political criteria, the political environment in Albania is still polarized by intense polarization. Parliamentary activities were affected by the opposition relinquishing their mandates. Institutional continuity was still ensured through gradual filling of vacant parliamentary seats. The opposition decided to boycott the 30 June 2019 local elections.

One strong achievement of Albania, which was welcomed by the Albanians, is linked to the granted visa-free access to the Schengen area, as a result of the fulfillment of EU requirements in the visa liberalization dialogue.

Another important achievement is related to the judicial system. Albania's judicial system has some level of preparation, since the temporary re-evaluation of all judges and prosecutors (vetting process) under the supervision of the International Monitoring Mission has advanced steadily. The implementation of a comprehensive and thorough justice reform has continued consistently, resulting in good progress overall. The new institutions for the self-governance of the judiciary have been performing their duties, including managing the processes to fill the vacancies at the High Court and the Constitutional Court¹².

2.2 Bosnia and Herzegovina

Although Bosnia's bid for closer ties with the European Union has been many years in the making, it was not until 25 November 2005 that talks on an SAA were opened. Progress on defense and police reform, as well as a new public broadcasting law, was among the key factors which convinced the EU to press ahead with negotiations. The first round of talks, which began on 25 January 2006, went well. However, the EU subsequently made it clear that the pace and conclusion of these negotiations depended upon continued progress and reform in key areas such as police restructuring and, in particular, full co-operation with the International Criminal Tribunal for the Former Yugoslavia (ICTY).

The actions of the political actors at that time reflected a lack of a common understanding on the overall direction and future of the country and its institutional setup. They needed to find a consensus for ensuring and improving the functioning of the institutions, while

¹¹European Commission (2018) "Recommendation" [Online] Available at: https://ec.europa.eu/neighbourhood-enlargement/enlargement-policy/negotiations-status/albania_en#:~:text=In%20its%20June%202019%20Conclusions,presented%20to%20the%20Member%20States

¹²European Commission (2020) "Albania Report" [Online]. pp 18. Available at: https://ec.europa.eu/neighbourhood-enlargement/system/files/2020-10/albania_report_2020.pdf

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safeguarding the interests of its constituent peoples, especially in view of the country's widely shared EU aspirations.

The speed of the reforms has been very slowly anyway. Some good results were achieved, notably concerning achievements which led to the country being granted visa-free access to the EU citizens in December 2010.

In May 2019, the Commission adopted its Opinion and accompanying analytical report on Bosnia and Herzegovina's EU membership application¹³. The Opinion identifies 14 key priorities for Bosnia and Herzegovina to fulfil in order to be recommended for the opening of accession negotiations, in the areas of democracy /functionality, the rule of law, fundamental rights, and public administration reform. In its December 2019 conclusions, the EU Council welcomed the Opinion and invited the Commission to focus its annual reports on Bosnia and Herzegovina, starting with the one in 2020, on the implementation of the key priorities from the Opinion¹⁴.

Regarding the political criteria, as the other Balkan countries, it remains an obstacle. During 2020 the Parliamentary Assembly of Bosnia and Herzegovina was blocked for political reasons, which resulted in a legislative backlog, and the Council of Ministers acted in caretaker function, pending the appointment of a new government, which only took place in December 2019, 14 months after the general elections. Bosnia and Herzegovina's Constitution remains in breach of the European Convention on Human Rights (ECHR), as per the Sejdić-Finci and related cases¹⁵.

In the area of judiciary Bosnia and Herzegovina had some level of preparation. Integrity reforms have met resistance from within the judiciary. The integrity of the system and regain citizens' trust in the judiciary is crucial. In the same way as in Albania the implementation of a judicial reform is very important.

2.3 North Macedonia

The Stabilisation and Association Agreement (SAA) between the Republic of North Macedonia and the EU entered into force in April 2004. In the conclusions of June 2018, the

¹³European Commission (2019) "Commission Opinion on Bosnia and Herzegovina's application for membership of the European Union" [Online]. Available at: <https://ec.europa.eu/neighbourhood-enlargement/system/files/2019-05/20190529-bosnia-and-herzegovina-opinion.pdf>

¹⁴European Council (2019) "Conclusions on the Commission's Opinion on Bosnia and Herzegovina's application for membership of the European Union" [Online]. Available at: <https://www.consilium.europa.eu/en/press/press-releases/2019/12/10/council-conclusions-on-commission-opinion-on-bosnia-and-herzegovina-s-application-for-membership-of-the-european-union/>

¹⁵Council of Europe (2019) "Sejdić and Finci- After 10 years of absence of progress, new hopes for a solution for the 2022 elections" [Online]. Available at: <https://www.google.com/search?q=Sejdi%C4%87-Finci+vs.+Bosnia+and+Herzegovina+case%2C+December+2009.&oq=Sejdi%C4%87Finci+vs.+Bosnia+and+Herzegovina+case%2C+December+2009.&aqs=chrome..69i57.1364j0j15&sourceid=chrome&ie=UTF-8>

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Council acknowledged the progress achieved and set out the path towards opening accession negotiations in June 2019.

In line with the Council Conclusions, the Commission started the preparatory work, including through the technical explanation of chapters of the EU acquis. In light of the progress achieved and the conditions set unanimously by the Council in June 2018 having been met, the Commission recommended opening accession negotiations in May 2019. In June 2019, the Council postponed its decision to no later than October 2019.

The European Council decided in October 2019 to ‘revert to the issue of enlargement before the EU-Western Balkans summit in Zagreb in May 2020¹⁶’. On 26 March 2020 the European Council endorsed the European decision to open accession negotiations with North Macedonia.

In Commission report of March 2020 EU noted increase efforts and tangible results in the fields of judiciary, fight against crime, intelligence service reform and public administration reform.

Regarding the political criteria North Macedonia continued to strengthen democracy and rule of law including by activating existing checks and balances and through discussions and debates in key policy and legislative issues.

The ongoing reform of the intelligence services resulted in the setting up in September 2019 of the National Security Agency, designed as an independent state body without police power. The judicial system of North Macedonia in comparison with that of Albania is moderately prepared. In this regard North Macedonia is implementing the judicial reform strategy, thereby addressing the ‘Urgent Reform Priorities’ and recommendations from the Venice Commission and the Senior Experts’ Group on systemic Rule of Law issues. Efforts are still needed to ensure systematic implementation of the updated action plan of the judicial reform strategy.

3. Conclusions

The prospect of EU membership constitutes the most powerful political asset for enhancing stability and good-neighbourly relations in the Western Balkans. It has worked as a carrot to initiate and sustain reforms, and it represents a framework for conflict settlement and an effective incentive for improving regional cooperation.

Giving up the project of South-Eastern enlargement would seriously endanger the stabilization process in the region. It would discourage EU-oriented transition, discredit

¹⁶ European Commission (2020) “2020 Communication on EU enlargement policy” [Online]. Available at: https://ec.europa.eu/neighbourhood-enlargement/system/files/2020-10/north_macedonia_report_2020.pdf

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reform-oriented elites and risk creating a Balkan ghetto on Europe's South-Eastern periphery. It is very much in the EU's own interest to continue and even speed up the accession process of these countries. In contrast, any form of political marginalization could inflict considerable harm on the Union (trans-border organized crime, migration flows, inter-ethnic tensions, and so on). The Brexit of UK and the enlargement of EU with eastern countries influenced on the economy and the budget of EU. The UK's contribution to the EU budget in 2016, after accounting for its rebate, was €19.4 billion. After removing about €7 billion that the UK receives in EU subsidies, the loss to the EU budget comes to about 5% of the total. After Brexit, the EU becomes UK's biggest trading partner, and the UK becomes EU's third biggest trading partner after the United States and China. Some member states, notably Belgium, Cyprus, Ireland, Germany and the Netherlands, more exposed to a Brexit induced economic shock¹⁷.

The effects of these important events impacted also the foreign policy of EU, by creating a climate of insecurity for the next enlargement towards WB countries. The Western Balkan countries need the political prospect of EU accession and assistance in accomplishing the reform process. Therefore, it is of paramount importance to maintain this prospect and ensure that there are no intermediate steps on the road to membership. Any other option would seriously undermine the stabilization process and instigate a vicious circle of disappointment, frustration and destruction.

Accession prospects would motivate both political elites and citizens more effectively if there was a clear EU integration framework (roadmap) to guide candidate and potential candidates, each at their own pace, towards full membership.

This leads the WB countries to the following recommendations:

- an explicit political commitment to maintain the prospect of full EU membership (no intermediate contractual steps or any form of 'membership lite');
- a strong determination by countries of the region to continue implementing reforms and to comply with EU conditionality;
- the transformation of the pre-accession process into a concrete integration framework (setting an indicative target date for membership, setting clear conditions and benchmarks to measure progress);
- a new focus of assistance on employment and poverty reduction, addressing issues of development and growth in a much more targeted manner (for instance, by designing a regional cohesion programme); setting up a regional investment facility established in collaboration with the European Investment Bank (EIB) and the EBRD; and designing a European social strategy for the Western Balkans to support employment;

¹⁷Wikipedia (2016) "Impact of Brexit on European Union" [Oline]. Available: https://en.wikipedia.org/wiki/Impact_of_Brexit_on_the_European_Union

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- decentralization of assistance and an enhanced capacity development approach (co-financing of projects; focusing of assistance on learning processes rather than on mere guidance on the EU legislation).

The Western Balkans still have a long way to go before they can realistically expect to be accepted as full members of the EU. However, there is no reason to believe that an intelligent combination of political incentives (integration framework) and an adequate and refocused assistance package could not contribute to overcoming the last divisions within Europe.

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