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The EU & the Western Balkans

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Introduction

The conclusion in June 2011 of the accession negotiations with Croatia with a view to that country joining in 2013, and the recent extradition from Serbia of the former Bosnian Serb commander General Ratko Mladić to the UN tribunal at the Hague, has refocused attention on the future enlargement of the EU in the Western Balkans.

Just as the prospective accession to the EU of the former communist countries of central and eastern Europe was a major motor for reform in those countries, so it became increasingly recognised by the end of the 1990s that the offer of eventual EU membership was an essential incentive if the countries of the Western Balkans, (*i.e.* of former Yugoslavia and Albania) were to become stable democracies that posed no threat regionally and more widely. The direction of travel was clear from the Zagreb summit in 2000 and this was affirmed by the European Council at Thessaloniki in 2003 when EU Member States agreed that “the future of the Western Balkans (including Bosnia and Herzegovina) is within the European Union”. Slovenia was already in the first wave of the Central and East Europeans countries to join the EU in May 2004, and the accession of the Eastern Balkan countries (Romania and Bulgaria) in 2007 means that the Western Balkan countries are now completely surrounded by the EU. The commitment to the Western Balkans joining the EU was reaffirmed in 2010.

Subsequently, Croatia, Montenegro and Macedonia were awarded candidate status but accession negotiations have not yet begun in the cases of Montenegro and Macedonia. Albania, Bosnia & Herzegovina, Kosovo and Serbia have been designated “potential candidates” but each has been prevented from moving to the next stage by particular national factors. The election of a pro-EU government in Serbia in 2008 and its subsequent compliance with the requirement to hand over wanted alleged war criminals to the UN tribunal means that a major obstacle to the start of detailed talks on its application for membership has been removed.

An important step in normalising relations between the EU and the Western Balkans has been the introduction of visa free travel between the Schengen countries and Albania, Bosnia, Macedonia, Montenegro and Serbia, which was introduced in the last two years. It only applies to visitors, does not permit residence or employment and non-Schengen countries (such as the UK) are excluded. Nonetheless, it has been widely welcomed in the countries that have benefited.

This paper looks at the EU's relationship with the Western Balkans and the prospects of countries in that region joining the EU.

Background

The break-up of Yugoslavia in the early 1990s, the subsequent conflicts and the peace process that brought the Bosnian war to an end in 1995 is described in the Senior European Experts group paper on Bosnia. The savagery of these conflicts left a bitter legacy, still evident today, and in some places (notably Bosnia and Kosovo) major national disputes remain unresolved. Nonetheless, considerable progress towards normalisation has been made.

Since 1995 the EU has been the largest donor to international efforts to reconstruct the damaged economies and infrastructure of the former Yugoslavia as well as playing the leading role in the rebuilding of civil society, including political and legal structures. The EU donor budget for the Western Balkans from 2007-2011 averaged €800 million a year. Several EU missions in various Western Balkans nations have worked towards the stabilisation of the region, the creation of strong and effective democratic and judicial institutions and the development of market economies. In addition, the EU has been responsible for the international military force in Bosnia since 2004 (see below).

This process, which is more advanced in some countries than others, is critical to the Balkan countries achieving their ambition of EU membership. The widespread feeling in Member States that Bulgaria and Romania were admitted too soon, having failed to reach the level of reform required before accession, has encouraged the EU to proceed on a more rigorous basis with applicants in the Balkans. Membership of the EU is now clearly conditional on applicants reaching the required standard, in all aspects of their economy and society.

EU Membership: A process and not an event

The approach taken by the EU is one of establishing points along a road that leads ultimately to membership. These intermediate points will vary from country to country but all Balkan applicants are expected to sign a stabilisation and association agreement with the EU, which provides for co-operation in a range of areas and the liberalisation of trade between the EU and country, as a first step. These agreements also provide for EU aid to the applicant so that it can begin the process of reform.

The legacy of conflict in the former Yugoslavia has been a particular obstacle to membership of the EU. In the cases of both Croatia and Serbia the failure of their national governments to fully co-operate with the International Criminal Tribunal for the former Yugoslavia (ICTY) by handing over indicted war criminals delayed consideration of their applications for several years. As only one of the indictees sought by the tribunal is now still at large (Goran Hadžić, an ethnic Serbian wanted in connection with war crimes allegedly committed in Croatia) this issue has largely been resolved.

As each country's circumstances are unique, the paper considers the countries one by one.

Croatia

Croatia applied for EU membership in 2003, negotiations started in 2006 and were completed in June 2011 with a view to accession in July 2013. Part of the reason the negotiations took so long was because of a bilateral dispute about territorial waters with

Slovenia which took time to resolve. Following signature of an Accession Treaty (expected by end-2011) Croatia's membership will then be subject to a referendum in Croatia (probably in early 2012) and ratification by the EU's 27 Member States.

Macedonia

Macedonia declared independence in 1991 and was admitted to the UN under the title 'Former Yugoslav Republic of Macedonia' in 1993. Although the country was not directly involved in the conflicts within the former Yugoslavia, it was badly destabilised by the crisis in Kosovo in 1999. Large numbers of Albanian refugees fled from Kosovo into the country. Most returned once the fighting in Kosovo ceased but some in the Albanian minority in Macedonia (which is about a quarter of the population) demanded autonomy for the parts of the country with an Albanian majority. This became a violent insurgency in March 2001; the EU and the US were instrumental in negotiating an end to the conflict in June 2001 in which greater autonomy was granted to the Albanian regions and the Albanian language recognised as a national language. The UK was one of several EU countries to provide troops for the NATO security force which disarmed the rebels that summer.

Macedonia signed a stabilisation agreement in 2001 with the EU, applied for membership in 2004 and was granted candidate status in 2005. An Accession Partnership agreed with the EU in 2008 is intended to help Macedonia prepare for accession negotiations in the future.

Despite the European Commission recommending in October 2009 and again in 2010 (with the support of the European Parliament) that accession negotiations start, they have not done so because of the on-going dispute between Greece and the Republic of Macedonia over the latter's name. Greece objects to the use of the term "Macedonia", partly because the same name is used for a region of Greece. UN mediation continues to try and solve the naming dispute. One of the other consequences of this dispute is that Macedonia has been prevented from joining NATO by Greece.

Montenegro

The EU helped to negotiate the peaceful break-up of the union of Montenegro and Serbia in 2006. The newly independent Montenegro signed a stabilisation and association agreement with the EU in October 2007 and submitted an application for EU membership in December 2008.

The European Commission gave its opinion on the application for membership in November 2010 – the first stage in the process of considering the application. It believed that progress had been made in Montenegro meeting the tests for EU membership and that it should move to candidate status. The European Council endorsed this view, accepting Montenegro as a candidate country in December 2010.

Albania

Albania has a stabilisation and association agreement with the EU and applied for membership of the EU in April 2009. The European Commission gave its opinion on the Albanian application in November 2010.

Like the other former Communist states in the Balkans, Albania has a weak economy, poorly established democratic and judicial institutions and a significant problem with corruption in the public sector. The Commission has recommended that negotiations for Albanian accession should open once it has achieved the “necessary degree of compliance with the membership criteria” and particularly those criteria relating to good governance and the rule of law. It identified a number of areas where substantial progress needs to be made before a decision can be taken to open accession negotiations, including the fact that since the 2009 elections there has been a political stalemate which obstructs the functioning of Albania’s Parliament.

Serbia

After a delay caused largely by its failure to assist the International Criminal Tribunal for the Former Yugoslavia in handing over alleged war criminals and the dispute over the status of Kosovo, a stabilisation and association agreement was signed between Serbia and the EU in April 2008. The election of a pro-European Government in Serbia later in 2008 paved the way for an overall improvement in EU-Serbia relations. An application for EU membership was submitted in December 2009.

Ratification of the stabilisation and association agreement has not yet been completed but the country has made a significant step forward with the arrest and surrender to the Hague tribunal of Ratko Mladić in May 2011.

Serbia’s intention is to join and it has shown itself willing to implement large areas of the EU’s *acquis* in its domestic law, for example in relation to the internal market. Constitutional rights are now broadly protected and its democratic institutions coped with the significant nationalist challenge that followed Kosovo’s declaration of independence.

Despite this progress Serbia is unlikely to be made a candidate country just yet. Its ongoing dispute with Kosovo remains a substantial obstacle to EU membership. There have been some signs of progress in the last year, with Serbia co-sponsoring a UN General Assembly resolution in September with the EU on the International Court of Justice’s decision in respect of Kosovo (see below). And an EU-brokered agreement was reached between Serbia and Kosovo on the recognition of car number plates and identity documents in July 2011; this will make travel for both communities in Kosovo far easier.

Bosnia & Herzegovina (BiH)

Since the 1995 Dayton Agreement, BiH has been an independent state but one which cannot exercise full sovereignty. It is divided into two entities, the Federation of Bosnia & Herzegovina (Bosniak and Croat populations) and *Republika Srpska*, reflecting the divisions between Bosnia Muslims and Bosnian Serbs; in addition, a small part of the north of the country is administered separately. In recent years some executive functions have been transferred from these two entities to the institutions of the state. This is part of the process, encouraged by the High Representative (who is also the EU’s Special Representative in the country), to normalise the situation in BiH.

The military force which enforced order after the civil war was initially provided by NATO but was replaced by an EU force in 2004. It is now down to 1,900 personnel as tensions within the country have eased.

But the country remains bitterly divided, with a stalemate in terms of getting agreement needed on constitutional reform in order to enable the country to move forward. For BiH to progress beyond its current candidate status for membership of the EU, it needs to reform its constitution to make it compliant with the ECHR and to make many other reforms to establish the rule of law and a market economy. A joint EU-US initiative in 2009 to encourage constitutional reform failed to find agreement amongst the parties in BiH. However, the issue of visa free travel to the EU demonstrated that when there was unity over a policy objective important to the people of the country, it could be achieved.

The European Commission's monitoring reports showed that progress in other aspects of reform was being made within BiH but they were insufficient to enable BiH to move beyond the stabilisation and association agreement it signed with the EU in 2008 and which it had failed to fully implement.

Kosovo

The prospects for Kosovo joining the EU are complicated by the fact that five Member States do not yet recognise Kosovo as an independent state, mainly for domestic policy reasons – Spain because of the Basque separatist movement, Slovakia and Romania because of their Hungarian minorities and Cyprus because of the dispute between Greek and Turkish Cypriots.¹ The International Court of Justice issued an opinion in July 2010 stating that Kosovo's declaration of independence was not a violation of international law or a breach of Security Council resolutions. Only 76 UN members have so far recognised Kosovo (at end of June 2011).

The EU's involvement in helping Kosovo to modernise and reform continues despite the disagreement about recognition. The EU Special Representative in Kosovo is also the international community's civilian representative under the UN. He is responsible for encouraging the development of democratic institutions, the rule of law and the normalisation of relations between the Albanian and Serbian populations of the country. The EULEX rule of law mission to Kosovo has worked for several years to assist the police and security forces to reduce tensions between the communities and to operate in a professional and neutral manner.

The on-going tensions between the communities, the divisions within the EU over recognition and the slow progress in addressing Kosovo's relationship with Serbia all mean that Kosovan membership of the EU is some way off and its path to EU membership is inevitably linked to that of Serbia.

Analysis & Future developments

The European Council's decision to conclude accession negotiations with Croatia and fix a provisional date for its accession is a boost to Balkan hopes against a background where

¹ Cyprus, Greece, Romania, Slovakia & Spain do not currently recognise Kosovo

they had thought their prospects were receding. But objections to further enlargement in the Western Balkans remain.

These are, after all, the poorest states ever to have applied for EU membership. Unemployment is 45 per cent in Kosovo, 25 per cent in Bosnia and nearly 14 per cent in Albania. They are also weak states with no history of democratic governance, public sector corruption and organised crime on a significant scale. Several of the applicant countries are still involved in disputes with their neighbours: Macedonia with Greece; Serbia and Kosovo with each other; and the Bosnian conflict remains unresolved, even if the country is calm but tense today. These internal divisions are of particular concern because of the difficulties caused by the admission to the EU of a divided Cyprus in 2004. These issues encourage some EU Member States to say yes to membership in principle but to seek to delay it in practice.

But postponing accession is not without risk either. There is a danger that promising membership but with the reality seeming to slip further away, will mean that the stabilising effect of candidacy will wear off. Long delays in accession also undermine the very democratic institutions the EU seeks to build up. If the moderate, pro-EU politicians cannot deliver for their people the danger is a return to nationalism. The EU's influence in the region could decline – some commentators have already suggested that this is what has happened in Bosnia, where crucial constitutional reforms are stalled despite considerable pressure from the EU and the USA.

The reality is that even on the most optimistic timetable, accession is a long process. Croatia will have taken 10 years from its application in 2003 to joining the EU in 2013. None of the other Balkan states can expect to start talks before 2012 and all would find the accession process difficult because of a lack of capacity to respond to the demands of the negotiation. Membership before 2020 is unlikely for any of the Western Balkan applicant countries.

Despite the difficulties, the EU will continue to offer membership to countries in the Western Balkans. Breaking the logjam in the negotiations with Croatia was an important breakthrough for the region because it showed that difficult obstacles could be overcome and the promise of membership would be honoured. The success of the visa negotiations, when the desire to get visa-free travel to the EU overcame domestic divisions in several countries, shows that if the practical advantages on offer are significant enough, progress can be made.

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Senior European Experts

The Senior European Experts Group is an independent body consisting of former high-ranking British diplomats and civil servants, including several former UK ambassadors to the EU, and former officials of the institutions of the EU.

The group provides high-quality, fact based briefing materials on EU issues.

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