

Evolution of European Union's Position on the Accession of the Western Balkans

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Summary: The enlargement policy is one of the main instruments EU has in implementing its external policy. Encouraging stability, safety and prosperity in the Western Balkans is a major priority for the EU. Membership prospects are a powerful incentive for political and economic reforms in the region.

The EU's opinion regarding the Western Balkans in united Europe

EU's position on the place of the Western Balkans in united Europe evolves from close cooperation to association and membership. However, the ultimate goal – full membership – depends on several conditions. Main factors for this evolution are considered: the crisis in the EU and the situation in the Western Balkans.

The object of the article is the EU's position on the accession of the Western Balkans. The aim is to study how this position evolves, and the

tasks are to clarify the factors which influence this evolution, the Bulgarian position and the degree to which the accession criteria are fulfilled by the Western Balkan countries.

Key words: EU, Western Balkans, stabilization and association process, Stabilization and association agreements, Thessaloniki Agenda.

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Evolution of European Union's position on the accession of the Western Balkans

The enlargement policy is one of the main instruments EU has in implementing its external policy. It has been the ruling idea since the beginning of the 1990s that offering the possibility of membership is the most efficient as well as the cheapest way of stabilizing reforms in Central and Eastern Europe¹. The European Union's (EU) own safety depends on safety and stability in its neighbouring countries; moreover, a high degree of political and economic stability means more safety and more economic opportunities for EU itself². The EU cannot prosper if its neighbours

¹ Бузек, Ерхард, В. Микулч, Европейският съюз по пътя на изток, ПИК, 2005.

² Ферхойген, Г., Европа в криза. За преосмисляне на европейската идея, Български бестселър, С., 2006.

provoke wars and ethnic violence³. That's why encouraging stability, safety and prosperity in the Western Balkans⁴ is a major priority for the EU. Membership prospects are a powerful incentive for political and economic reforms in the region. A further motivating factor is the successful completion of accession negotiations and the accession of the ten countries from Central and Eastern Europe in 2004 and 2007.

The political framework of the cooperation between EU and the Western Balkans after 1999 is the stabilisation and association process (SAP). It is an ambitious extension of the regional approach for the Western Balkans and is further enriched with elements of the enlargement process at the Thessaloniki summit in June 2003.

The SAP aims: stability and a smooth transition to market economy, support for regional cooperation and the prospect for accession. The elements of the EU partnership are:

- trade concessions (autonomous trade measures);
- economic and financial support (CARDS programme);
- contractual relations (Stabilization and Associating Agreements – SAA).

Within the framework of the stabilisation and association process with the countries of the Western Balkans, the European Union has set up European partnerships with the countries of the Western Balkans. These partnerships set up a framework of priority action and a financial

structure to improve the stability and prosperity of the region, with a view to greater integration with the EU. The European Union (EU) applies the same methodology to the countries of the Western Balkans as that followed for the new Member States and acceding countries.. As a candidate country for which membership negotiations have already begun, Croatia benefits from its own accession partnership.

EU's position on the accession of the Western Balkans after 1999

Article 49 of the Treaty of the European Union says: any European state which respects the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law may apply to become a Member of the Union. The EU has set political and economic membership criteria, as well as criteria concerning the obligations of membership and the administrative capacity for adopting and implementing the *acquis communautaire* and the policies of the Union⁵.

At the Helsinki European Council in December 1999 the EU explicitly declares its determination to have a leading role in promoting stability, security and economic development in South-Eastern Europe in close partnership with the countries of the region. It is underlined that the Stabilisation and Association Agreements (SAA) should allow the development of closer relations between the states in the region in all areas. It is stressed on the major importance of removing trade barriers and barriers to the movement

³ Ленарг, М., Защо Европа ще управлява XXI Век, Обсидиан, 2005.

⁴ Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro and Serbia with Kosovo.

⁵ These are the so called Copenhagen criteria: stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities; existence of a functioning market economy and the capacity to cope with competitive pressure and market forces within the Union; ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union; existence of administrative capacity for the adoption and implementation of the Union's *acquis* and policies. The Western Balkan countries must meet one more requirement: full cooperation with the International Criminal Tribunal for the former Yugoslavia as well as developing cooperation with the countries in the region.

of people between the countries concerned. Special attention is paid to the Union's wish to support democratization of the Federal Republic of Yugoslavia and to rehabilitation and reconstruction of Kosovo.

The European council in Feira in June 2000 reaffirmed the priority for the Union of the enlargement process. The objective of the EU is confirmed: the fullest possible political and economic integration of the Western Balkans through the SAP, political dialogue, liberalization of trade and cooperation in Justice and Home Affairs. All the countries in the region were declared potential candidates for EU membership. The European Council encourages the Western Balkans states to increase their regional cooperation including through regional trade arrangements. The EU is ready to intensify its cooperation with them, including in economic and financial assistance, political dialogue, free trade, approximation of EU legislation and cooperation in other policy areas.

The Nice European Council in December 2000 uses the formula: "a clear prospect of accession, indissolubly linked to progress in regional cooperation". It is underlined that each country will receive individual treatment.

The Brussels European Council in March 2003 reaffirms that the future of the Western Balkans is within the EU, which pledges full support for the process of consolidating democracy and stability as well as for the economic development.

The Western Balkans are the main topic of the Thessaloniki European Council in 2003. It is realized that it is necessary to go beyond rehabilitation and reconstruction of these countries, to make the shift to approximation of the legislation, to increase the support of the EU. The so called Thessaloniki Agenda for the Western Balkans was

accepted. It confirms once again that the Western Balkans and the support for their preparation for future integration in the European structures and a membership in the Union are a high priority for the EU. "The Balkans will be an integral part of a unified Europe"⁶. The policy of Stabilisation and Association is enriched with elements from the enlargement process. It is stressed that the future of each country lies in its own hands: it depends on the implementation of reforms, of fulfillment of the criteria laid down in Copenhagen in 1993 and on the performance of the country in the SAP. The main principles are those of own merits, catch-up and regional approach.

The EU acknowledges the necessity of continued US involvement in the Balkans, as well as the presence of the Balkans on the agenda of the EU dialogue with Russia.

The EU's commitments and assistance must be matched with the commitment of the governments of the Western Balkans to make the necessary reforms, to establish adequate administrative capacity and to cooperate among themselves. The Thessaloniki summit is the start of a multilateral political forum EU – Western Balkans.

The Thessaloniki Agenda includes the following elements:

- enhanced support for institution building;
- fighting organised crime, cooperation in justice and home affairs matters;
- promoting economic development;
- reconciling for the future and enhancing regional cooperation.

The Brussels European Council in December 2003 points out that the pace of the reform process remains slow. The countries of the region are called to intensify their reform efforts especially in areas like public administration, fighting

⁶ The Thessaloniki Agenda for the Western Balkans, Presidency conclusions, European council, Thessaloniki, 19-20 June 2003.

organised crime and corruption. It is necessary that all countries in the region cooperate fully with the International Criminal Tribunal for the former Yugoslavia (ICTY). The Council reiterates its determination to support fully the European perspective of the Western Balkans.

The European Council in December 2004 approves the framework for negotiations with the candidate countries. Each individual framework takes account of the experience of the fifth enlargement process and of the evolving of the *acquis*, as well as the country's own merits, specific situation and characteristics. The frameworks contain long transitional periods, derogations, permanent safeguard clauses as well as the areas in which they will be applied: freedom of movement of persons, structural policies, agriculture.

Regarding the financial aspects of accession it is said that the negotiations with a country whose accession could have substantial financial consequences can only be concluded after the establishment of the Financial Framework for the period from 2014 together with possible consequential reforms.

The shared objective of the negotiations is accession. However, these negotiations are an open-ended process and the outcome cannot be guaranteed beforehand. Moreover, if during negotiations a candidate country seriously and persistently breaches the principles of liberty, respect for human rights and fundamental freedoms and the rule of law on which the Union is founded this could lead to suspension of negotiations as the conditions for eventual resumption will be set beforehand.

The enthusiasm and unconditionality of the Thessaloniki summit are now replaced by pragmatism and caution, by a debate on further enlargement⁷. Officially EU supports the Thessaloniki Agenda, but if till now 2014 was given as a possible deadline for accession no specific dates are mentioned now. It is also clear that the Copenhagen criteria will be strictly observed, while during the fifth enlargement fulfillment of economic criteria was assessed in the average run⁸.

The next enlargement will not encompass a large group of countries. Negotiations with Turkey are a long term process, the Western Balkans comprise of small countries which are on different stages on their road to the EU⁹. Future enlargements will be done at a pace depending on the performance of each country so that smooth accession is guaranteed¹⁰.

2006 is a year of a thorough debate on future enlargement. The conclusions are as follows: the renewed consensus on enlargement is based on a strategy which includes consolidation, communications and conditionality taking into account the absorption capacity of the Union. It is necessary that two conditions are fulfilled simultaneously so that a candidate country can become a full member: it should be ready to assume the obligations of membership and the EU should be able to function efficiently and to develop. Both conditions are necessary in order to provide sustainable public support which will be promoted through greater transparency and better communications. It is accepted that more difficult issues such as administrative and judicial reforms will be discussed at earlier stages of the negotiations. It is stressed on the importance of

⁷ The Salzburg Declaration, Salzburg EU/Western Balkans Joint Press Statement.

⁸ It is now confessed that the ten Central and Eastern European countries were not ready for full membership at the time of accession.

⁹ Croatia is in the middle of accession negotiations, Macedonia has applied and has a candidate status, Albania, and Bosnia and Herzegovina and Montenegro have signed Stabilisation and Association Agreements, Serbia has no such agreement yet.

¹⁰ 2005 Enlargement Strategy Paper, Communication from the Commission.

deepening integration in the EU. It is necessary that the institutions function efficiently and that the Union's policies are further developed and financed.

Factors which influence the EU's position on the accession of the Western Balkans

What brought to such a change in the EU's opinion on the accession of the Western Balkans?

First of all, it is the situation in the EU itself. The fifth enlargement was a fact on 1 May 2004. There are 8 CEE countries among the new member states. At the same time it is said that the EU is in a deep crisis, that protectionism and disintegration are greater. In October 2004 the European Parliament declined the first Commission Mr Baroso proposed. The 2007-2013 Financial Framework negotiations were very difficult; it was only in the first half of 2006 when an agreement was reached. The last enlargement took place before the institutional reform. In many areas decisions are taken unanimously which in the case of 25 (27 to be) member states is a prerequisite for decision blocking and slowing down the integration process. In the spring of 2005 Holland and France rejected the Constitutional Treaty – the next institutional reform. The Lisbon strategy turns to be a failure; the results from the first five years are disappointing: the planned economy growth, productivity and employment figures were never achieved. Creation of new jobs slows down, investment in science is not enough, the gap between growth rates in Europe and North America and Japan widens¹¹.

A major external factor is the situation in the Western Balkans. The difficulties for the Western Balkan countries result from the fact that besides the severe social and economic problems they have to meet the challenge of approaching European standards. These countries lie to the highest extent away from the European standards and good practices compared to all candidate countries in the EU enlargement history. Some of the major problems are weak governments, high political risk, lack of stable institutions, corruption and organized crime. Despite the efforts there is little progress in this respect. There is no success in building multiethnic societies in the countries of former Yugoslavia. There are even more ethnic conflicts: in Kosovo in March 2004 there was mass violence which resulted in burning down many Serbian homes and places of religious worship, there are victims from both sides. Other major problems are refugee returns and discrimination of minorities. This has a negative impact not only on the region (contributes to the high degree of suspicion among the countries of the region) but on EU too as it allows import of organized crime in the Union¹².

It is necessary to fulfill certain criteria in order to achieve full EU membership. The first group is the one of political criteria: stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities. On 20 April 2004 the European Commission declared that Croatia (the only state from the Western Balkans so far) was a functioning democracy. Despite this further efforts are needed regarding minority rights, reform in the judicial system, fighting organised crime, regional cooperation. Full cooperation with ITCY is crucial. It is the insufficient cooperation with the international tribunal why

¹¹ Commission of the European communities, "Working together for growth and jobs. A new start for the Lisbon Strategy" communication to the Spring European Council, Brussels 2005.

¹² "Accession of Republic of Bulgaria to the EU as a factor determining a new place of the country in the world", "Economy University Publishing House", Sofia 2007.

the beginning of the negotiations with Croatia was postponed from the spring of 2005 to the autumn of the same year. This postponement has a clear message: elucidating war crimes in former Yugoslavia as well as cooperating in the punishment of the guilty ones is a major criterion for EU membership¹³. Neither of the remaining countries in the region receives a positive assessment on political criteria. On 16 December 2005 the former Yugoslav republic of Macedonia was declared a candidate country, however it is a political recognition; it is said in the opinion of the Commission in November of the same year that the country is well on its way to satisfy the political criteria for EU membership.

The second Copenhagen criterion is the existence of a functioning market economy. So far it is fulfilled only by Croatia (as per the last opinion of the Commission). The major indicators on which the Commission gives its opinion are: macroeconomic stability, broad consensus on political stability, price and trade liberalization, a strong economic potential (the existence of enough human and physical capital), the ability to attract foreign investment, restructuring of ownership and enterprises (high share of private capital), distribution of resources as per the market principles and closing down of enterprises sustaining loss; no major obstacles for entering and leaving the market, equal opportunities for all economic agents, regulating property rights and the possibility for implementing of laws and contracts; confidence both between national and international business agents; well developed active financial sector; well developed intermediary sector¹⁴.

The Commission's assessment on the competitiveness of Western Balkans' economies

is not positive either. Competitiveness depends most of all on the production and innovation potential of the country and its adjustment to the European market. A small share of R&D expenditure in the economy is typical for all countries of the region. Among the main competitive advantages are the low wages and the not so strict environment legislation. In order to reach long-term competitiveness it is necessary to move up on the value added chain and to manufacture capital-consuming goods. To this end it is necessary to bring up-to-date the production and technologies. Another factor for increasing competitiveness is the existence of adequate infrastructure (energy, telecommunications, transport).

It is necessary a higher rate of economic development to be achieved in order to benefit from mutual integration both between Western Balkan countries and between them and the EU. Moderate economic growth is due to primary production factors so far. In production and export structure goods with low added value (foodstuffs, textile, chemicals, agricultural products, machines, metals, tobacco) dominate which are usually designed for less solvent consumers. These economies face the task to increase foreign investments which contribute to the technological renovation. In the long term it is necessary an innovation oriented growth to be achieved.

The Energy Community in South East Europe is an attempt to strengthen the political and economic stability in the region. The Treaty was signed in 2005 and entered in force in 2006 after being ratified by all parties. It sets a single regulative zone in the region as the countries in South Eastern Europe align their energy, environment standards and competition legisla-

¹³ Ферхойген, Гюнтер, Европа в криза. За преосмисляне на европейската идея, Български бестселър, София, 2006 г.

¹⁴ Маринов, В., М.Савов, М.Петров, М.Славова, Д.Хаджиниколов, С.Кръстев, Европейска икономическа интеграция, УИ "Стопанство", София, 2004г., стр.479.

tion with that of the EU. Only natural gas and electricity fall in the reach of the community; however it is possible that it could be broadened and to include other energy sources and infrastructure. South Eastern Europe is situated strategically as long as it concerns the control, running and transportation of energy, especially gas and oil¹⁵.

Though they were a part of the same state some 10-15 years ago (except for Albania) the Western Balkan countries have to walk the long way to their mutual integration. The countries in the region have oriented their relations to the EU rather than to their neighbours. One of the reasons is the low degree of economic development and the resulting limited opportunities for mutually beneficial trade relations. Membership in the Central European Free Trade Agreement is an attempt to overcome this negative trend. Now it is possible only to try to foresee the positive effect of this membership: elimination of duties in trade between countries, diagonal cummulation of origin, valuable experience in integration and preparation for future EU membership.

Bulgaria's position

Bulgarian policy in the region is based on the formula "safety and stability through cooperation and integration". Development of regional cooperation is considered a part of the European cooperation. The main principles of the policy are balanced relations with all neighbouring states and development of the relations with each of them so that it does not impede the relations with others. Before signing the treaties with NATO and the EU the strategic goals were full membership in these two organisations. It was considered

that any measures and plans for integration and stabilisation in the region should not stray the country from its goals; therefore, support for such measures should be given only after careful consideration. There were fears that the regional approach may prolong Bulgaria's accession to the EU, that the Stability Pact in South Eastern Europe may turn to be a substitute for EU's enlargement¹⁶.

After 2001 (and especially after the country's accession to NATO and the EU) Bulgaria's opinion evolved from suspicion to constructiveness and will to play a leading role in the process of regional cooperation. The country's foreign policy is in line with NATO and EU's concerted approach for the Western Balkans¹⁷. It is of Bulgaria's interest that its neighbours in the Western Balkans become full members of the EU: thus the unity of interests and political stability in the region will be guaranteed. The official Bulgarian position is in line with the EU's position: Bulgaria supports the European perspective of the Western Balkan countries which would allow the creation of a zone of stability and prosperity and which would grant these countries and their peoples a clear orientation and would motivate them for implementing the necessary reforms. Bulgaria does not commit itself with concrete deadlines either, however, it states that the accession will depend on the progress of the countries in implementing the criteria.

Bulgaria's basic goals for the period 2005-2009 are: adopting the European policy and EU's priorities; consistent work on becoming a reliable partner with a contribution for strengthening and developing EU; development of regional cooperation in the area of culture; assistance to neighbouring countries for full integration in Euro-Atlantic structures.

¹⁵ Динков, Д., "Регионалното сътрудничество в Югоизточна Европа", С. 2002, УИ "Стопанство", с. 22.

¹⁶ Динков, Д., "Регионалното сътрудничество в Югоизточна Европа", УИ "Стопанство", София 2002 г.

¹⁷ Петрова, Ст., "Стабилизиращата роля на България в Югоизточна Европа", сп. "Международни отношения", бр. 1/2005 г.

Bulgaria's role in the Western Balkan's accession could be searched for in the following directions: cooperation in the framework of regional initiatives (such as the Regional Cooperation Council) and bilateral cooperation. The countries from the region could profit from Bulgaria's experience gained on its way to full membership. On the other hand as the European integration of its neighbours is of its interest Bulgaria could lobby for their accession. Bulgaria pursues a leading role in the process of Euro-Atlantic integration of the countries in the region through an active policy for economic and cultural cooperation. Bulgaria has signed free trade agreements with all the countries in the region. In May 2007 – May 2008 Bulgaria chairs the Process of cooperation in South Eastern Europe. During this period at an informal meeting of the Foreign Affairs Ministers in Plovdiv an agreement was signed for the creation of the Secretariat of the Regional Cooperation Council in Sarajevo.

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