

*Milenko Petrovic*  
*National Centre for Research on Europe*  
*University of Canterbury*  
*Christchurch, NZ*

## **Can EU enlargement leverage overcome Balkan (in)stability challenges?**



# **Can EU enlargement leverage overcome Balkan (in)stability challenges?**

- 1. The EU's eastern enlargement with a positive dual leverage effect and different levels of successes in different regions of post-communist Eastern Europe since 1991**
- 2. Prolonged internal political instability of some Western Balkan states, despite encouraging signs in the early 2000s**
- 3. The weaknesses of the recent and current EU policy incentives towards the Western Balkan states**
- 4. Conclusions**

# 1. The EU's eastern enlargement with a positive dual leverage effect and different levels of successes in different regions of post-communist Eastern Europe since 1991

- **Complete success in Central Europe and the Baltics in:**
  - a) providing technical and financial assistance for economic marketisation and political democratisation
  - b) promoting national and regional peace, stability and security
- **Zero effect in the Balkans until 1996/97** when the countries in the region were ruled by non-reformist and/or instable governments not specially interested in complying with EU conditions for accession
- **Creation of the special 'comprehensive strategy' and the Stabilisation and Association Process**  
(conditionality and graduality for regional peace and stability: Dayton agreement, return of refugees, ICTY, mutual cooperation...) for the Western Balkan states by the end of the 1990s as proof that enlargement leverage can work only when a country is led by strongly pro-reformist and stable government

## **2. Prolonged internal political instability of some Western Balkan states, despite encouraging signs in the early 2000s**

- Acceleration of the SAP process after Tudjman's death in Croatia and the overthrow of Milosevic in Serbia (see table), yet cooperation with the ICTY in the Hague remained the major challenge for these countries' relations with the EU until 2005 (Croatia) and to the present (Serbia and partly B&H)
- The statehood status of the multinational states (all except Albania and Croatia) continue to be the main source of internal political instability – a good background for the weak performance of government administration, an incompetent and corrupt judicial system, flourishing of crime...

## Political and Economic Transition in the Balkans and Post-Communist Europe

|                            | Democracy score (FH) |             |             | Economic transition (EBRD) |            |            |
|----------------------------|----------------------|-------------|-------------|----------------------------|------------|------------|
|                            | 1999                 | 2005        | 2007        | 1999                       | 2005       | 2007       |
| <b>EU-8(2004)</b>          | <b>2.12</b>          | <b>2.03</b> | <b>2.13</b> | <b>3.4</b>                 | <b>3.7</b> | <b>3.7</b> |
| <i>Romania</i>             | <b>3.54</b>          | <b>3.39</b> | <b>3.29</b> | <b>2.8</b>                 | <b>3.2</b> | <b>3.4</b> |
| <i>Bulgaria</i>            | <b>3.58</b>          | <b>3.18</b> | <b>2.89</b> | <b>2.8</b>                 | <b>3.4</b> | <b>3.5</b> |
| <i>Croatia</i>             | 4.46                 | 3.75        | 3.75        | 3.0                        | 3.4        | 3.5        |
| <i>Macedonia FYR</i>       | 3.83                 | 3.89        | 3.82        | 2.7                        | 3.0        | 3.1        |
| Albania                    | 4.75                 | 4.04        | 3.82        | 2.6                        | 2.9        | 3.0        |
| Bosnia and Herzegovina     | 5.42                 | 4.18        | 4.04        | 2.0                        | 2.6        | 2.7        |
| Montenegro                 | 5.50                 | 3.79        | 3.93        | 1.6                        | 2.6        | 2.8        |
| Serbia                     | 5.50                 | 3.75        | 3.68        | 1.4                        | 2.6        | 2.7        |
| Ex-USSR 4 (Mo, Uk, Bl, Ru) | 4.92                 | 5.46        | 5.44        | 2.3                        | 2.6        | 2.7        |

## Progress in Stabilisation and Association Process

| Country               | SA Agreement   | Application for EU Membership | Official Candidate Status                                 |
|-----------------------|--|-------------------------------|---|
| <b>Albania</b>        | <b>YES</b><br>(12/06/2006)   | <b>NO</b>                     | <b>NO</b>   |
| <b>Bosnia-Herzeg.</b> | <b>YES</b><br>(16/06/2008)   | <b>NO</b>                     | <b>NO</b>   |
| <b>Croatia</b>        | <b>YES</b><br>(29/10/2001, in force since 1/02/ 2005)                | <b>YES</b><br>(20/02/2003)    | <b>YES</b><br>(18/06/2004, acc. neg. opened in Oct. 2005) |
| <b>Macedonia FYR</b>  | <b>YES</b><br>(9/04/2001, in force since 1/04/2004)                  | <b>YES</b><br>(22/03/ 2004)   | <b>YES</b><br>(17/12/2005)                                |
| <b>Montenegro</b>     | <b>YES</b><br>(15/10/2007)   | <b>NO</b>                     | <b>NO</b>   |
| <b>Serbia</b>         | <b>YES</b><br>(29/04/2008, frozen pending cooperation with the ICTY) | <b>NO</b>                     | <b>NO</b>   |

## ■ Montenegro

- two years after the declaration of independence there remains a sharp division between supporters and opponents of statehood within the core Montenegrin/Serb (43/32%) ethnic group
- last year's adoption of the Constitution with a 2/3 majority in parliament has softened but has not put an end to disputes concerning independence

## ■ Macedonia FYR

- Ohrid Agreement: Final Solution or...?
- Fears and uncertainties regarding potential impacts of the Kosovo status solution

## ■ Bosnia and Herzegovina

- Federation or Confederation?
- How long can the EU (i.e. OHR) supervise and govern by decrees?

## ■ Serbia-Kosovo

- recognition of Kosovo independence by 21 EU member states (so far) is strongly opposed by all major political parties (nationalist and pro-European) in Serbia and some EU countries – a new crisis in EU-Serb relations?
- serious challenges for further democratisation of Serbia and its way towards EU membership
- uncertain potential impact on the other multi-national states in the region and elsewhere

### **3. The weaknesses of the recent and current EU policy incentives towards the Western Balkan states**

- Decreased motivation for Enlargement in the core Western members of the EU due to 'enlargement fatigue' since 2005 and especially 2007 contributed to make conditions for accession tougher and lessened interest for deeper analytical work in preparation of the (right) policy incentives, which would have avoided:
- Inconsistency in EU approach and the non-existence of a single approach towards individual countries' statehood status - different proposals/solutions for similar problems: centralisation in B&H, decentralisation/dissolution of Macedonia, Serbia and Montenegro, Serbia (with Kosovo)
- The status of Kosovo is the most current and most serious problem that if not solved in the near future (with Serbian, UN and EU-6 contribution) can lead towards further isolation of Serbia as a 'key regional player' [EU Commission, March, 2008] from the EU (and the West) and political destabilisation of the region as a whole

# Conclusions

- EU enlargement leverage can positively impact upon post-communist reform and contribute to national and regional stability only when a potential accessory country is led by a strongly pro-reformist and stable government which is strongly committed to join the EU.
- Despite the fact that all the Western Balkan states were led by pro-reformist and pro-European governments since 2000, the 'comprehensive strategy' and the Stabilisation and Association Process for the Western Balkans have not been able to eliminate instability of the multi-national states in the region due to its focus on intraregional and country-EU/ICTY relations.
- EU enlargement leverage can overcome the challenges of instability of the weak, ethnically-divided states in the Western Balkans only after adoption of a new EU 'comprehensive strategy', which would include sound proposals for the solution of the statehood status of the instable multinational/ethnic states that would be unanimously adopted by all the EU member states.