Future of the European Union Enlargement: the Case of Western Balkans

Defining of the sustainable scenario of the association and accession of Serbia and the Western Balkans to the European Union

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Table of Contents

4  List of Abbreviations
5  Summary
7  1. Introductory Notes
7    1.1. Policy study
7    1.2. Initial assumptions
8    1.3. The aims of the study
9    1.4. Research team, methodology of the research and writing of the policy study
13  2. Results of the Stabilization and Association Process (Zagreb 2000 – Sarajevo 2010)
13    2.1. Framework: Stabilization and Association Process
14    2.2. Key accomplishments and advantages of the SAP
17    2.3. Failures and shortcomings of the SAP
18    2.4. Future of the SAP of the Western Balkans
20  3. Factors affecting the EU enlargement policy towards the Western Balkans
20    3.1. “Enlargement Fatigue” and “Absorption Capacity” of the EU
23    3.2. Public opinion and EU enlargement
26  4. Defining a Sustainable Scenario of Association and Accession of the Region to EU
26    4.1. The scenarios of passing the finish line: into EU, separately or together?
28    4.2. Alternative scenario: Is there a sustainable alternative to EU membership for the countries of the Western Balkans?
31  4.3. Toward defining a scenario for the accession of Serbia
35  5. Conclusions and Recommendations
38  Bibliography
The policy study on the future of the European Union’s (EU) enlargement on the Western Balkans (WB), which we present here, is the contribution of the researchers of the Centre for European Policy of the Union of European Federalists Serbia to public debate on the issue. The primary motive for writing a study was thinking through the existing scenarios of the EU enlargement and estimating the most probable and therefore most favourable one for the region in terms of faster reaching full EU membership.

So far, the progress of the Western Balkans in the Stabilisation and Association Process (SAP) is not satisfactory. The reforms are not carried out with the necessary speed and progress of countries towards the EU has been uneven. The recognised challenges relate to sustainability of economic development model, rule of law, reform of public administration and judiciary, fight against corruption and organised crime, insincere regional cooperation, and unresolved political issues, all contributing to such outcome. Therefore, what is necessary is an evaluation of SAP and an estimate on whether the existing frameworks are sufficient to successfully complete the process by 2020.

The factor to decisively influence decision making on the future enlargement (apart from fulfilment of defined criteria) is the “enlargement fatigue”. It is conditioned by the “absorption capacity” of EU to accept new members, which is influenced by the last wave of enlargement, institutional and political crises within the EU, the aftermath of the world economic crisis, unresolved political issues of the WB, with more negative attitude of the public towards further enlargements.

However, the remaining WB countries with their sizes do not represent a significant challenge to the “absorption capacity” of EU than the Eastern enlargement. Also, the Lisbon Treaty came into force and with its application all the institutional obstacles for future enlargements were removed. Related to the world economic crisis and its aftermath, the countries of the Western Balkans will have to invest greater effort in the economic development and demonstrate they will not be a burden to the wealthier EU countries. The EU countries, however, need to fight against the manipulations related to this issue: the economic crisis was not caused by the enlargement and should therefore not hinder it. Slowing down this process will not solve the enlargement fatigue but there is a danger it might transform enlargement fatigue into reform fatigue, and that could have unforeseeable consequences for the stability of the Western Balkans.

Notwithstanding Croatia, next enlargement of EU is years away. But unlike with Turkey or the countries of the Eastern partnership, the perspective of the EU membership is secured for countries of the Western Balkans. Considering it will be the last region to accede into the EU, it is likely that the scenario of convoy will be activated for practical reasons, i.e. the joint accession of all countries in the region. At the same time, this should encompass a comprehensive and more sincere regional cooperation. Alternative scenarios, such as the model of Norway or Switzerland, or the so-called “privileged partnership” which was offered to Turkey, or turning towards other European powers (Russia) are inapplicable.
and unsustainable, collectively and individually. Hence, resolving the open issues is an imperative, as the EU membership cannot be attained otherwise. Without the final settlement with Kosovo Serbia will not become a member of EU. There will come a point in the near future where these two processes will meet and entangle.

A real and sustainable alternative to the full EU membership absolutely does not exist for Serbia and any other country of the Western Balkans. Only through full membership in the EU can all countries of the region hope to become relevant actors in European politics and work together with other partners on deepening of European integration towards the European federal state.

1. **INTRODUCTORY NOTES**

1.1. **Policy study**

1.1.1. Policy study that we present is a contribution to the public debate on EU enlargement to the Western Balkans. The study was written as a part of the project conducted by the Centre for European Policy of the Union of European Federalists Serbia (CEP), with partnership and support of the Konrad Adenauer Foundation Belgrade (KAS) and the Centre for European Studies from Brussels (CES).

1.1.2. Carrying out of the research Project "Sustainability of the Association and Accession Process of Serbia and the Western Balkans to the European Union: Research on the Possible Scenarios of Accession" consisted of three elements: (1) research, (2) policy study and (3) final conference. The main topic of the research was relations between the European Union (EU) and the Western Balkans (WB), the only remaining region of Europe with EU membership perspective.

1.2. **Initial assumptions**

1.2.1. Accelerating EU integration process and EU enlargement to the Western Balkans has formally remained one of the priorities of the EU politics. This is evidenced by official documents on enlargement1, as well as six months agendas of the EU member states that take over the EU Council presidency.

1.2.2. In the six months plans and programs of the EU presidency, the member states did not place enlargement on top of priority list. Noticeable differences exist between old and new Member States of the EU/ with the latter showing more understanding for enlargement. The last five working programs and priorities of presidency indicate that during the Hungarian presidency (January-June 2011) EU enlargement was sixth out of 11 stated priorities2, during the Czech (January-June 2009) one of three priorities3. Contrast this with the priorities of Sweden (July-December 2009)4 and Spain (January-June 2010)5 enlargement is mentioned only in the framework of general tasks or role of the EU in the world, not as a priority, while in the Belgian priorities (July-December 2010) enlargement was the last out of nine stated priorities6.

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1.2.3. The aims of the study

1.2.3.1. Having in mind these initial assumptions, research project had the following aims:

- To identify the biggest challenges for pro-European progress in the Western Balkans, focusing on potential obstacles to full European integration of the region;
- To estimate sustainability of the scenario of full integration of the Western Balkans in EU and define possible alternative scenario of relations between the EU and some countries of the Western Balkans;
- To provide guidelines and recommendations to the policy creators and decision makers, taking into consideration different phases in association of the WB countries and unresolved political problems.

1.3. The aims of the study

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1.4. Research team, methodology of the research and writing of the policy study

1.4.1. Research team has been using qualitative methods in the research and data collection. Two main methods used in the research were semi-structured interview and content analysis. The most important part of the research was series of meetings and interviews with individuals whose work is related to the process of European integration. Meetings and interviews were conducted with policy creators of parties involved in the process, decision makers, MEPs, MPs in national parliaments, distinguished members of political parties, public administration officials, CSO activists, and researchers in think-tanks and academia. The analysed documents included publications, reports, statistical data, public opinion surveys, interviews of the key politicians, news articles and analyses in the areas covered in the research. (See references for further information).

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1.4.3. Individuals interviewed were (in alphabetical order):

- Samir Agic, Assistant Minister, Ministry of Defence of Bosnia and Herzegovina, Sarajevo, Bosnia and Herzegovina;
- Vladimir Ateljevic, Advisor to the Director of the EU Integration Office of the Serbian Government, Belgrade, Serbia;
- Henri Bohnet, Head of the Konrad Adenauer Foundation Office in Macedonia, Skopje, Macedonia;
- Ditmir Bushati, Socialist Party Member of the Parliament and member of the EU-

8. Throughout this publication, the authors use the name “Kosovo” to signify territory that emerged from the breakup of Yugoslavia. According to the Serbian Constitution of 2006, this territory is an autonomous province under the name “Kosovo and Metohija”. On the contrary, according to the Kosovar Constitution, this territory is a state with the official name “Republic of Kosovo”. Kosovo declared its independence on 17 February 2008, while the Parliament of Serbia declared Kosovo’s declaration of independence as null and void the next day. In the process of association and in all other official EU documents the accorded wording is “Kosovo (under UNSCR 1244/99)”; to signify Kosovo under UN Security Council Resolution 1244, of 1999. Following the wording of the UN resolution and of the EU official documents, the Centre for European Studies acknowledges the abovementioned territory under the reference Kosovo (UNSCR 1244/99).

9. Throughout this publication, the authors use the name “Macedonia” to refer to a state that emerged from the breakup of Yugoslavia. According to the Constitution of the Republic of Macedonia, the official name of the state is “Republic of Macedonia”. Due to the name dispute with Greece, whose territory contains a region called Macedonia, the state is admitted to the UN under the provisional reference of “The Former Yugoslav Republic of Macedonia (FYROM)”. This name has been solely and exclusively used in the process of EU association and in all other official EU documents. Following the wording of the UN resolutions and of the EU official documents, the Centre for European Studies acknowledges the abovementioned state under the name Former Yugoslav Republic of Macedonia.
Albania Stabilization and Association Parliamentary Committee, Tirana, Albania;
- Erisa Cela, Head of the Local Governance and Integrated Development Program, Institute for Democracy and Mediation (IDM), Tirana, Albania;
- Fatmir Curri, Director of the Kosovo Civil Society Foundation, Pristina, Kosovo;
- Aleksandra Cavoski, Professor at the Faculty of Law, Union University, Belgrade, Serbia;
- Artan Collaku, Ministry of European Integration Associate, Government of the Republic of Kosovo, Pristina, Kosovo;
- Andrew Duff, Member of the European Parliament, Member of the EP Foreign Affairs Committee, President of the Union of European Federalists, Brussels, Belgium;
- Lutfi Dervisi, Journalist, Transparency International, Tirana, Albania;
- Vincent Degert, Head of Delegation of the European Union in Serbia, Belgrade, Serbia;
- Lidiya Dimova, Executive Director, Macedonian Centre for European Training, Skopje, Macedonia;
- Filip Ejdus, Teaching Assistant at the Faculty of Political Sciences, University of Belgrade, Belgrade, Serbia
- Bojan Zec Filipovic, President of the Liberal Democratic Party in Bosnia and Herzegovina, Sarajevo, Bosnia and Herzegovina;
- Georgi Gotev, Senior Editor, EurActiv.com, Brussels, Belgium;
- Denis Hadzovic, Secretary General of the Centre for Security Studies, Sarajevo, Bosnia and Herzegovina;
- Adela Halo, Coordinator for European Integration Program, Open Society Institute (SOROS), Tirana, Albania;
- Ramadan Ilazi, Executive Director, NGO FOL (SPEAK UP Movement), Pristina, Kosovo;
- Jelko Kacin, Member of the European Parliament, Member of the EP Foreign Affairs Committee, Special Raporteur for Serbia, Brussels, Belgium;
- Piotr Maciej Kaczynski, Research Fellow, Centre for European Policy Studies, Brussels, Belgium;
- Leart Kola, Director of the MJAFT Movement, Tirana, Albania;
- Ludger Kuhnhardt, Professor at the University of Bonn, Director of the European Integration Studies, Bonn, Germany;
- Zarko Malinovic, Executive Director of the American University in Bosnia and Herzegovina, Banja Luka, Bosnia and Herzegovina;
- Jovana Marovic, Senior Researcher, Institute Alternative, Podgorica, Montenegro;
- Vladimir Medjak, Assistant to Director of the EU Integration Office of the Serbian Government, Belgrade, Serbia;
- Andjelko Milardovic, Director of the Political Science Centre Research, Zagreb, Croatia;
- Srdjan Milic, President of the Socialist People´s Party of Montenegro, Podgorica, Montenegro;
- Kire Milovski, Program Assistant, Public Administration and Local Government Reform Program – EU Program, Foundation Open Society Institute, Skopje, Macedonia;
- Lidiya Miteva, President of the NGO Mozam, Skopje, Macedonia;
- Mimica Neven, Vice President of the Croatian Parliament and President of the Parliamentary Committee on European Integration, ex-Minister for European Integration, Zagreb, Croatia;
- Ardita Osmanaj, Junior European Federalists, Pristina, Kosovo;
- Vladimir Pavicevic, Teaching Assistant at the Faculty for Political Sciences, University of Belgrade, Belgrade, Serbia;
- Vesna Petic, Member of the Serbian Parliament, Member of the Parliamentary Committee for Foreign Affairs, Belgrade, Serbia;
- Erion Veliaj, Leader of the Political Party G99, Tirana, Albania;
- Predrag Prastalo, Secretary General of the European Movement in Bosnia and Herzegovina, Sarajevo, Bosnia and Herzegovina;
- Miroslav Prokopijevic, Science Researcher, Institute for European Studies, Belgrade, Serbia;
- Vesna Pusic, President of Croatian People’s Party, President of Croatian National Committee for Tracking the Negotiations on the Accession of Croatia to the European Union, President of the HNS-LD Parliamentary Club, Vice-President of the ELDR;
- Sonja Risteska, Researcher and Manager Coordinator, think-tank “Analytica”, Skopje, Macedonia;
- Nedeljko Rudovic, Journalist, daily newspaper „Vijesti”, Podgorica, Montenegro;
- Visnja Samardzija, Head of the Department for the European Integration, Institute for International Relations, Zagreb, Croatia;
- Syle Safaj, Advisor, Ministry of Interior Affairs, Government of the Republic of Kosovo, Pristina, Kosovo;
- Natasa Stamenkovic, Associate, Faculty of Law Iustinianus Primus, Skopje, Macedonia;
- Milos Solaja, Director of the Centre for International Relations, Banja Luka, Bosnia and Herzegovina;
- Liridon Shurdhani, Lecturer, University for Business and Technology, Junior European Federalists, Pristina, Kosovo;
- Lisridon Shurdhani, Lecturer, University for Business and Technology, Junior European Federalists, Pristina, Kosovo;
- Daliborka Uljarevic, Executive Director of the Centre for Civic Education, Podgorica, Montenegro;
- Peter Weilemann, Director of the European Office of the Konrad Adenauer Foundation, Brussels, Belgium;
- Ivan Vejvoda, Vice President of the German Marshall Fund of the United States (GMF), Washington, USA;
- Erion Veliaj, Leader of the Political Party G99, Tirana, Albania;
- Marko Vesovic, Journalist, daily newspaper „Dari”, Podgorica, Montenegro;
- Olaf Vientcek, Science Researcher, European Office of the Konrad Adenauer Foundation, Brussels, Belgium;
- Gjergji Vurmo, Program Director, Centar for European and Security Affairs (IDM), Tirana, Albania.
1.4.4. A discussion paper, based on the reports of the research teams and analysed documents, has been prepared to serve as a basis for writing of the policy study. Discussion paper has been presented at the special meeting of the National Committee of the Union of European Federalists Serbia which was held in Belgrade, on 21st December 2010. The purpose of the meeting was summarizing the results of the research and obtaining recommendations and conclusions for the policy study. Discussion was divided into two thematic blocks: (1) Stabilization and Association Process analysis: Zagreb 2000 – Sarajevo 2010, and (2) Challenges for the Western Balkans by 2010. Based on the commentaries and suggestions of the UEF Serbia’s National Committee, the text of the policy study we present was written by the authors: Danijela Bozovic, Marko Vujacic and Nikola M. Zivkovic.10

1.4.5. Opinions set out in the policy study are solely those of the authors. The authors have tried to identify, consolidate and find common elements from research material, aware of the risk that some interesting ideas, proposals and approaches will remain unrecorded in this publication.

1.4.6. Apart from chapter 1, the main text of the study is structured into four chapters. Chapter 2 deals with the results of the Stabilization and Association Process (Zagreb 2000 – Sarajevo 2010), the analysis of the key successes and advantages, as well as failures and shortcomings of the process itself. This part includes the assessment of the perspective of the SAP in the future. Chapter 3 contains the analysis of factors that influence the enlargement policy. The influence of the enlargement fatigue, absorption capacity of the EU and the public opinion in the EU is analyzed here. Different scenarios of the association and accession of the region and Serbia to the EU are elaborated in chapter 4. The purpose of this part of the study is to examine hypothesis and assess sustainability of the existing options and alternatives to the EU accession of the region. Chapter 5 contains conclusions of the research and recommendations based on the previous analysis.

10. For the commentaries and suggestions, the authors are especially thankful to Jelena Babic, Aleksandra Cavoski, Filip Ejdus, Vladimir Pavicevic and Vladimir Petrovic, the UEF Serbia National Committee members.


2. RESULTS OF THE STABILIZATION AND ASSOCIATION PROCESS (ZAGREB 2000 – SараJEVO 2010)

2.1. Framework: Stabilization and Association Process

2.1.1. The beginning of the more consolidated EU policy towards the Western Balkans is related to two summits European Union – Western Balkans. The first is held in Zagreb on 24th November 2000, and the second in Thessaloniki on 21st June 2003.

2.1.2. In Zagreb, heads of states and governments of EU Member States have presented the Stabilization and Association Process (SAP) as a political and financial framework of cooperation with WB states, which through mutual commitment and honouring responsibilities in perspective leads toward full EU membership.11 The main attributes of the SAP were: equal conditions for all, clear perspective of EU membership, individual approach and special importance of the regional cooperation. With this policy EU membership is set as a strategic goal for the WB countries, and SAP as a method for reaching that goal. It encompassed the instruments of financial and technical aid to programme and finance projects whose purpose is implementation of reforms.

2.1.3. In Thessaloniki, the process of association of the WB gained a strong confirmation. Representatives of EU Member States have expressed unequivocal support to the European perspective of the WB countries.12 The Thessaloniki Declaration was a turning point in determination on whether the EU has a room for the countries of the region. From this moment, apart from political support for each of the countries individually, the EU has made available billions of euros worth financial aid intended for reforms. These events have encouraged the WB countries to move in the direction of reforms and EU membership.

2.1.4. More than a decade from the inauguration of the SAP, it is a general impression that the reforms have slowed down. Apart from that, the messages from the EU with decreased enthusiasm for enlargement to the Western Balkans can be heard more frequently. The issue of efficiency of the SAP can be raised by measuring the progress of each of the countries individually, but also the consistency of the EU support and devotion to the SAP.

2.1.5. General conclusion of individuals involved in the European integration process, or those who follow it through their work, is that the SAP has its accomplishments, positive sides, but also failures. The latter are best reflected by the fact that even after ten years most of the countries of the region have a long way ahead toward full EU membership.

2.2. Key accomplishments and advantages of the SAP

2.2.1. During the last decade, all WB countries have improved significantly in their program of reforms and achieved important results in the implementation of the priorities from the Thessaloniki Agenda and the European Partnerships. The main accomplishments include stabilization of the region, improvement of internal and external security, strengthening of democracy. Elections as a basis for the formation of government became a routine, regional cooperation in strengthened, large part of refugees and internally displaced persons have returned to their homes. Economic progress and stabilization are achieved; market economy is being established although with difficulties, the inflation rate decreased, free trade among the countries of the region is improved. The citizens of all countries in the region, except for the citizens of Kosovo, enjoy visa-free regime with the countries of the Schengen Agreement. Croatia is closing its accession negotiations and is at a brink of the EU accession, both Macedonia and Montenegro have received candidacy status and are ready to start accession negotiations, Albania and Serbia have submitted their applications for membership and expect to receive the candidacy status during 2011. For detailed breakdown of the status of European integration of the Western Balkans see Table 1.

2.2.2. Devotion of the EU to the region, through initiating of the SAP and setting of clear criteria for reaching full membership, has contributed to the political stability and democratic development of each of the countries. European perspective has served as a motive for reforms, and SAP as an instrument leading the countries down the path of democracy building and safe refuge from the authoritarianism and autarchy.

2.2.3. Transformational, soft power of the EU has facilitated the transition process of the WB states, by directing it to one destination – full EU membership. In this way these two processes, transition and integration, have merged, which normally does not have to be the case. The difference between the EU as a mean, and the EU as an end, can especially be made on this basis. Full EU membership is a goal for the WB states. However, before reaching this goal states have to go through hard process of transition towards democracy, rule of law and market economy. European integration thus also represents the means for reaching these standards. The SAP has contributed for the states to measure their progress in reforms (transition) by the proximity of EU membership: the progress in transition process directly relates to the progress in the EU integration process.

2.2.4. Through the SAP, the EU provided considerable financial aid from the budget (see Tables 2 and 3), which is being used for projects of reforms in legislation and institutions. By using pre-accession and accession resources from the EU’s IPA instrument, the implementation of reforms is targeted and planned.
2.2.5. The SAP has put special emphasis on the stabilization of the region and the need for **development and improvement of regional cooperation**. As opposed to the countries of Central and Eastern Europe, the WB societies were not only transitional, but also post-conflict ones. So far, steps in regional cooperation were of limited success. All countries have either successfully terminated, or are close to do so, cooperation with the International Criminal Tribunal for Former Yugoslavia (ICTY). Through prosecution of persons indicted for criminal offences committed during the war on the territory of former Yugoslavia, Tribunal aimed at contributing to reconciliation in the region. Several regional associations and initiatives are formed (see Table 4). Bilateral relations between the countries are strengthened, which is especially important considering the past burdened with wars, suffering, quests for the culprits and mutual accusations. The process of regional integration has thus become a test for the WB countries to show their maturity and capability to overcome disputes and war legacy.

Table 4

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<th>Regional initiatives in the SEE</th>
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<tr>
<td>South East European Cooperation Process – SEECP 17</td>
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<td>Central European Free Trade Agreement – CEFTA 2006 18</td>
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<tr>
<td>Regional Cooperation Council – RCC 19</td>
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<td>Organization of the Black Sea Economic Cooperation – BSEC</td>
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<td>Central European Initiative – CEI</td>
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<td>The Danube Cooperation Process – DCP</td>
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<td>Adriatic-Ionic Initiative – AII</td>
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2.2.6. Fulfilment of the rigorous criteria led to **visa liberalization** and then **visa-free regime** for travelling to countries of the Schengen Agreement for most citizens of the WB countries, although this process is not finished yet. Visa abolishment represents the best example of successful application of conditionality policy towards the WB countries. Through carefully led, transparent and controlled process, states in the region have fulfilled the conditions set and as a result, their citizens today enjoy freedom of movement in Europe.

2.3. Failures and shortcomings of the SAP

2.3.1. The WB countries are in different stages of European integration process, each with its own estimate on EU accession. The SAP was not successful in attempt for all the countries to progress in equal speed. The current uncertainty leaves much room for **speculation and bidding of politicians** about final year of accession, most often in times of election campaigns. It has been done for a clear reason: the EU membership has become a **part of excessive expectations of the public**. Therefore, failures in meeting the conditions encompassed by the SAP easily lead to politicians’ frustration, which then spill over to the citizens.

2.3.2. This approach leaves a negative impact on the public opinion which, due to great disappointments, associates its unfulfilled desires with “constant conditioning” by the EU and slow progress towards membership. The consequence is **decline of support among the citizens** of the WB countries for EU association.

2.3.3. Another phenomenon present in the behaviour of political leaders is an **abuse of meeting the requirements** for EU membership. Meeting the membership requirements is most frequent justification before citizens for the unpopular reform measures, but also for failures and political mistakes down the road. In those circumstances, the easiest way for political leaders is to present themselves as victims. Political irresponsibility and unwillingness to carry out fundamental reforms represent the main reason for lagging behind of WB states in the European integration process.

2.3.4. The **citizens are not informed** about the importance of the SAP, while they get information on the country’s progress towards membership from the occasional, often incomplete and inaccurate news. The WB states have not yet made a clear cost/benefit analysis that would present to citizens the way European integration progress will affect their everyday life. Whenever the level of information about such an important process is low, it opens the room for speculation, additional scepticism and fears – the “Europhobia”. Therefore, being asked about the association process, citizens do not base the answer on the relevant information about the EU, but rather on their own images of the EU, which do not reflect real events and facts.

2.3.5. The EU approach to the region is criticized as **incoherent**. The EU member states do not have a uniform approach to the open issues in the Balkans – Kosovo, Macedonia, Bosnia and Herzegovina – which diminishes the EU’s influence in the region. Inconsistent application of the conditionality policy, insisting on fulfilling the political ahead of technical criteria is not stimulating for the countries that fulfil technical criteria in due time.

16. Since the establishment in 1993, the ICTY has accused 161 person, two of which are still at large (Goran Hadzic and Ratko Mladic), 38 still have processes pending, 11 has been acquitted, 61 convicted. 13 cases have been transferred to the national courts, for 36 accused the indictments were withdrawn or they have died during the process.

17. SEECP has started in 1996 in Sophia. It is a regional non-institutionalized process coordinated by the presiding state. Presidency over SEECP is a yearlong and is rotating among the participating states. The most important event is a summit of heads of states and governments.

18. CEFTA is concluded in 1992 between Poland, Czechoslovakia (as of 1st January 1993 Czech Republic and Slovakia) and Hungary. By concluding the amendments on CEFTA Agreement 2006, Albania, Bosnia and Herzegovina, UNMIK for Kosovo, Moldova, Serbia and Montenegro became member states of this regional free trade area, with the goal of creating the free trade area until 31st December 2010. For more details see: http://www.cefta2006.com/.

19. On the summit of SEECP in Zagreb in May 2007 a decision has been made to transform the Stability Pact in the SEE in and transfer its powers on the new organization – Regional Cooperation Council. The seat of the permanent secretariat is in Sarajevo. More about the Regional Cooperation Council: http://www.rcc.int/.

20. For example, Macedonia has adopted, and is implementing great number of legal acts (acquiscommunautaire), but the country still doesn’t have the specific date for opening the negotiation with the EU.
2.3.6. The SAP was envisaged as more efficient and flexible way for association and accession to EU, initially planned for the period of ten years. However, excluding Croatia, other WB countries are yet far from EU membership. Even though the SAP had a success in stabilization of the region, it proved to be ineffective and inflexible mechanism which takes too long. Its application has brought most of the WB countries neither too close to EU membership, nor left them too far away.

2.3.7. As stated above, regional cooperation has had limited success. Regional cooperation is dishonest, characterized by avoidance of commitments and making false promises. Although the common interest is more than evident, and problems and challenges similar, collaboration remains largely sporadic, at the level of individual countries and their bilateral relations, and individual leaders and their personal relationships. No effective instruments of cooperation and problem solving exist. Moreover, with the populist rhetoric, state officials have managed to undermine the already fragile relations in the region. This further aroused suspicion among European partners in the sincerity and genuine intentions of the leaders themselves: whether they are taking steps towards regional cooperation because they recognize the interest in it, or just because something is required of them and set as a condition.

2.3.8. The region shows inability to speak with one voice through the harmonization of interests and send a clear message on its own place and role in Europe. It could be argued that EU has a plan for the WB, but WB has no plan for EU. The region is still in “second gear” when it comes to regional cooperation.

2.3.9. Today, all citizens of the WB states, with the exception of Kosovo citizens, can travel freely to the Schengen Agreement countries. However, the region remain at the level of “closed castle” when looking at the willingness and readiness of citizens to travel to neighboring countries. There is still a visa regime between some countries in the region, transport links are under-developed (road infrastructure), behindhand (railways), or does not exist (e.g. airlines between many major cities in the region). This situation has negative consequences for two reasons: (1) economic cooperation is thus burdened and hampered, the movement of people hindered, and obstacles to free trade and investments are preventing free movement of goods, capital and services; (2) citizens are losing the opportunity to directly learn about their neighbors, cultural cooperation, exchange of information and experience is limited and thus the possibility of improving relations.

2.4. Future of the SAP of the Western Balkans

2.4.1. Western Balkans, despite the significant progress made towards implementation of political and economic reforms, is facing major challenges related to sustainability of economic development model, the rule of law, reform of public administration and judiciary, fighting corruption and organized crime. It affects the fulfillment of the EU conditions and is one of the main reasons for the uneven pace of European integration of the WB countries.

2.4.2. Despite expectations to open a new chapter in relations between EU and the Western Balkans, ministerial meeting held in Sarajevo in June 2010 contributed to doubts of the WB countries regarding continuing support of the EU and its Member States for the EU enlargement. Confirmation of the EU’s commitment to the integration of Western Balkans in Sarajevo had a form of symbolic and generalized statements. The concrete solutions or announcements of a more efficient approach to enlargement were missing. The proposals or initiatives to address major regional issues were not addressed – such as relations between Serbia and Kosovo, political paralysis in Bosnia and Herzegovina, or the dispute between Macedonia and Greece over the name of Macedonian state.

2.4.3. Since the 2003 Thessaloniki Summit was the last which considered the EU strategy for the Western Balkans, and that almost eight years have passed since then, EU should evaluate the success of the SAP, assess whether the existing frameworks and instruments are sufficient for the successful completion of the process, and define the next steps and reforms of the SAP to respond to the needs of the region in the best way. In this regard, EU should consider adopting a new strategy that will lead to targeted reforms and be of benefit to the citizens of Western Balkan countries (e.g. governments in the region have demonstrated the ability to move forward when the requirements are clearly defined, transparent and measurable, as it has been the case for liberalization of visa regime).

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21. Kosovo citizens are not able to enter Serbia with Kosovo passports, while they need visas to enter Croatia and Bosnia and Herzegovina. Albania abolished visas for citizens of Serbia in April 2010, while Serbia did the same for Albanian citizens in November 2010.
3. FACTORS AFFECTING THE EU ENLARGEMENT POLICY TOWARDS THE WESTERN BALKANS

3.1. “Enlargement Fatigue” and “Absorption Capacity” of the EU

3.1.1. Enlargement fatigue as a reason for slowing down the process of European integration of the WB has increasingly been mentioned in recent years. It is necessary to distinguish between (1) the approach of European institutions in charge of enlargement and the governments of Member States and (2) debate about it in the public. Regarding the work of institutions, or negotiations involving governments of Member States, there are no indicators for the time being to suggest that there is an enlargement fatigue. All institutions in charge are functional, which is confirmed by the fact that almost all countries over the past two years have taken several steps in the association process.

3.1.2. When it comes to Member States, the voices from Germany during 2009 suggested that the suspension of enlargement may occur after the accession of Croatia. Such ideas, however, have remained on the level of statements, made during the election campaign. Yet, more and more statements by European officials suggest that the enthusiasm for enlargement among Member States is at a very low level. In the capacity of presidency over the Council of EU for the period January-June 2011, Hungarian Prime Minister Viktor Orban stated on 15th April 2011 that since he went to Brussels for the first time in 1996, the support for enlargement has never been lower: “There are doubts, reservations, fears and uncertainties – these are keywords related to the enlargement. The EU leaders do not answer the simple question - whether the EU enlargement is in the interests of the Union. We swim against the current. Never before has the sympathy for the EU enlargement been lesser.”

3.1.3. The term „enlargement fatigue” has not been defined precisely enough. It can be determined as a political condition, or political sense of scepticism towards the future enlargement. Enlargement fatigue is considered to be a temporary feeling: after getting rest, which may serve to estimate the effects of current enlargements, Europe can overcome the fatigue. Despite the uncertainty, the term has been widely used in the public discourse. So far it relied on two concepts which are also not clearly defined: one is the EU “absorption capacity” which, unlike the enlargement fatigue, entered the EU official documents without determining the precise meaning of the term; the second one is defining of the “final frontiers of Europe”, subject of political and philosophical debates with no end in sight.

3.1.4. Regardless of the ambiguity, the four groups of reasons are brought up in favour of existence of the EU enlargement fatigue: (1) experience with the last wave of enlargement, (2) institutional and political crisis of EU, (3) consequences of the world economic crisis and (4) open political issues in the WB.

3.1.5. The experience of the last eastern wave of enlargement in 2004 and 2007 when total of 12 new countries, mostly underdeveloped compared to the old Member States, had the institutional, political, but also economic consequences which the enlarged EU had to face. The June 2006 summit of the European Council was the first one to mention the EU’s “absorption capacity” and called for the preparation of a special report with this topic. The choice of words itself – “absorption” - is interesting primarily because it comes from natural sciences. The absorption is chemical and physical process in which atoms, molecules or ions enter the certain gas, liquid or solid material, and therefore absorbs. In the context of EU enlargement, this natural process has been chosen for the purpose of determining whether, and to what extent, the rush of atoms, molecules or ions (the enlargement countries) can be imbibed, absorbed in the solid material of the EU, and thereby does not break it down or destroy it.

3.1.6. The EU absorption capacity can be determined by taking into account several parameters: (1) the capacity of goods and services market, (2) the capacity of the labour market to absorb new members, (3) the capacity of the EU funding to absorb new member states, (4) the capacity of the EU institutions to work with the new member states, (5) the capacity of society to absorb new member states, and (6) the EU capacity to insure its strategic security.

3.1.7. When it comes to the WB countries, the capacity of goods and services markets do not represent a real problem for the EU. Full implementation of Stabilization and Association Agreement (SAA) will result in creation of free trade zone, i.e. the zone of free movement of goods and services. Furthermore, the countries concerned have weak and small economies comparing to the European ones. The only real challenge in those terms is not the one for the EU, but for the WB countries, and that is to develop an economy capable to compete at the EU market.

3.1.8. The labour market capacity represents bigger challenge for the EU, especially considering the economic crisis and unemployment. However, three important factors should be considered: (1) in 2004 with the accession of new Member States, a transitional period was introduced with the restrictions on free movement of workers, which may be repeated for the WB countries; (2) the birth rates and demographic trends (aging population) in EU27 have a natural labour force “import” as a consequence; (3) population of EU27 is 500 million people, while all the WB countries have about 25 million, which represents less than 5% of the total EU population. Bearing these figures in mind, it is hard to imagine that the pressure of workers will be strong even if we hypothetically imagine that all the unemployed from the WB find jobs in the EU (which of course will not happen). In addition, population aging is a general trend throughout Europe, and demographic problems and a lack of highly skilled workers is also felt in the WB countries. For these countries, a major challenge in the medium term will be the so-called “brain drain”, so they themselves will have to do more to attract the workforce, particularly for highly skilled jobs.

3.1.9. The EU funding capacity to absorb new member states refers to possibilities of growth of European budget intended for the EU structural funds. These funds are designed for financing of development projects in regions with GDP lower than 75% of the EU average. Two thirds of the structural funds money is projected for development of these regions. A heated political debate about this issue is often held in Member States that contribute with more money than they receive from the EU budget. It was particularly evident after the outbreak of the world financial crisis in late 2008, the world economic crisis that followed, and then the Euro crisis that culminated in 2010, due to the inability of some of the Euro-zone countries to service their sovereign debt.

3.1.10. Although the EU budget is less than 1% of the total GDP of member states, political manipulations created the image of excessive spending and waste on the EU level in the public. Also, there was loud opposition in public to help states in crisis (Greece, Ireland, Portugal), even at the cost of abolition of the Euro. All this contributed to the overall growth of euro-scepticism and xenophobia in the EU, which necessarily affected the enlargement policy as well.

3.1.11. Institutional and political crisis of the EU is a consequence of the unsuccessful Treaty on Constitution for Europe and problems with ratification of the Lisbon Treaty. Previous, Nice Treaty was intended only for EU27. With the Lisbon Treaty coming into force, the path for future enlargements has been paved and the institutional crisis has been overcome. However, the crisis of European integration and the trust in the EU is not finished.

3.1.12. The capacity of the EU societies to absorb the new states is linked to public opinion in Member States. Identity and image that the EU citizens have of themselves and their community simply put, is different from the image they have of the Balkans. The perception of the Balkans in the public, especially the countries of former Yugoslavia, is still tied to wars, genocide, misfortune, poverty and disorder. Such determinants impede the positive perception of the future EU membership for the Balkan states. On the other hand, the success of Slovenia contributed to the change of such image, while the membership of Croatia represents even greater opportunity to further decrease the scepticism towards the Balkans. However, in all public opinion surveys of the EU citizens there is a growing trend of xenophobia. The change of perception in the public opinion in the EU Member States will therefore be a lengthy process and a major challenge for the Western Balkans.

3.1.13. The EU capacity to secure its own strategic security is determined by political instability in the WB, which is generated from unresolved issues between the countries in the region. Resolution of these issues will be a must before the membership, so the problems similar to Cypriot would not be imported in the EU. Experience shows that the pressure for resolving open issues is much stronger before the EU membership. This soft power of the EU is already greatly used: for the countries of the region, the “carrot” of membership is one of the strongest motives for resolving open issues.

3.2. Public opinion and the EU enlargement

3.2.1. Public opinion surveys in the Member States in the last few years have shown the effects of enlargement fatigue, although the results also show that the public believes that enlargement in the past contributed to the stability and economic development of Europe. The vast majority of EU citizens (over 2/3) strongly supported the reasons behind the enlargement: the reunification of the continent, strengthening of the EU, solidarity with countries that acceded, and the consolidation of common European interests and values. At the same time, majority of the public in the old Member States believes that the enlargement was more in the interest of new Member States than the old ones. From the existing indicators it may be concluded that general support for enlargement is decreasing and that opposition to the EU enlargement is growing.

<table>
<thead>
<tr>
<th>Year (season)</th>
<th>Question: „Are you in favor of… FOR AGAINST DOESN’T KNOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 (spring)</td>
<td>EU enlargement to the Balkans and Turkey? 46% n/a n/a</td>
</tr>
<tr>
<td>2006 (spring)</td>
<td>EU enlargement to Western Balkans? 48% 36% n/a</td>
</tr>
<tr>
<td>2006 (spring)</td>
<td>EU enlargement to Turkey? 39% 48% n/a</td>
</tr>
<tr>
<td>2007 (spring)</td>
<td>EU enlargement to new countries? 49% 39% 12%</td>
</tr>
<tr>
<td>2007 (fall)</td>
<td>EU enlargement to new countries? 46% 40% 14%</td>
</tr>
<tr>
<td>2008 (spring)</td>
<td>EU enlargement to new countries? 47% 39% 14%</td>
</tr>
<tr>
<td>2008 (fall)</td>
<td>EU enlargement to new countries? 44% 43% 13%</td>
</tr>
<tr>
<td>2009 (spring)</td>
<td>EU enlargement to new countries? 43% 46% 11%</td>
</tr>
<tr>
<td>2009 (fall)</td>
<td>EU enlargement to new countries? 46% 43% 11%</td>
</tr>
<tr>
<td>2010 (spring)</td>
<td>EU enlargement to new countries? 40% 48% 12%</td>
</tr>
<tr>
<td>2010 (fall)</td>
<td>EU enlargement to new countries? 43% 45% 12%</td>
</tr>
<tr>
<td>2005 (spring)</td>
<td>EU enlargement to Serbia? 44% n/a n/a</td>
</tr>
<tr>
<td>2006 (spring)</td>
<td>EU enlargement to Serbia? 47% 33% n/a</td>
</tr>
<tr>
<td>2008 (spring)</td>
<td>EU enlargement to Serbia? 38% 47% n/a</td>
</tr>
<tr>
<td>2010 (fall)</td>
<td>EU enlargement to Serbia? 34% 53% n/a</td>
</tr>
</tbody>
</table>

24. See Table 5.
3.2.3. Differences can be noted in the attitude of public regarding EU enlargement to Turkey and the Western Balkans. Table 1 shows that majority support in the EU public for the accession of Turkey never existed. Since 2006 most EU citizens were against EU enlargement to Turkey. For the accession of the Western Balkans, there was no such objection previously. On the contrary, opinion polling in 2006 shows that the majority of EU citizens was in favour of enlargement to the Western Balkans.

3.2.4. When it comes to the Western Balkans, nuances in the support for the accession of individual countries may be identified. Croatia enjoys the support for the membership which is about 50% (in the last survey from the fall of 2010 for-against ratio is 47% to 41%), while all other Western Balkan countries are below this threshold. When it comes to Serbia, majority support for the membership of Serbia was measured in 2006, when more EU citizens were in favour than against, while by 2008 this situation has reversed. In most recent survey (fall 2010), only 34% of the EU citizens said they were in favour, and 53% against the membership of Serbia. Behind Serbia are Turkey (for-against ratio is 30% - 59%), Albania (29% -58%) and Kosovo (29% -57%).

3.2.5. These variations exist depending on how the countries present and project themselves in the public. So far, they almost exclusively projected an image of countries that need help and the one's causing trouble, which corresponds to the projection in the public. This image should be reversed into demonstration of own contribution to EU, positive and good to bring to the table. Since the EU shows weaknesses in many areas, there is a growing threat for the public to turn to nationalism. Before this happens, the Western Balkans should win the sceptics in the EU and extend influence beyond the countries which are considered their traditional partners.

3.2.6. Finally, even after the disillusionment and euphoria for the enlargement that occurred in 2004, support for the enlargement has consistently been higher than opposition until 2008. However in the spring 2009, higher percentage of the EU citizens who are against the enlargement, than those who are in favour, was noted in the surveys for the first time. This trend was slightly reversed in the fall 2009 survey, but during 2010 the opposition to the enlargement was again higher than support for it. The most likely cause for this development is the world economic crisis and its consequences in Europe.

3.2.7. When reading these results it is important to emphasize that the public is always sensitive to the manner of presenting and reporting on enlargement in the media. The enlargement policy is always losing support if presented as additional burden, or in the context of the economic crisis. In that way, the topic can be easily misused for political purposes. In addition, the trend of rising xenophobia within and outside the European Union is a limiting factor for the support to enlargement. Leaders of the EU and its Member States do not foster open and straightforward discussion on the advantages and challenges of the EU enlargement, and rarely condemn open expressions of xenophobia. Encouraging the public for the open debate on enlargement is indispensable.


4. DEFINING A SUSTAINABLE SCENARIO OF ASSOCIATION AND ACCESSION OF THE REGION TO THE EU

4.1. The scenarios of passing the finish line: into EU, separately or together?

4.1.1. The idea for all the Western Balkans to accede to EU together, in the so-called “Convoy” and to revise the current “Regatta” approach, that is individual accession, still exists in the EU. Although the official approach of the EU is that the progress of each country will be assessed individually, the scenarios of joint accession is still considered, by application of the so-called “Modified regatta” approach, that is “Small convoy”. Although the convoy scenario was officially abandoned, it could be revived before the accession of these countries, as was the case just before the 2004 enlargement.

4.1.2. Scenario 1: Regatta. The scenario of accession of all the Western Balkans to the European Union at the same moment emerged as an idea after 2000. Soon it was abandoned and replaced by the policy of individual approach. The speed of each state’s progress towards the EU depends on its ability to take on the rights and obligations of membership. That way, each country advances towards the EU based on its own merit in fulfilling the set of conditions.

4.1.3. There are three key reasons behind the adoption of scenario of individual passing the finish line, or the regatta scenario, in the following order of appearance:

1. Strong objection of countries more advanced in the SAP, Croatia primarily, lest they would be forced to wait for other countries to catch up;

2. Slow progress of other countries, weak institutions and the presence of continuous political instability and crises. In Serbia this predicament culminated with the assassination of Prime Minister Zoran Djindjic, causing shock and the beginning of disillusionment in the EU on the perspectives of the countries in the region regarding the membership;

3. The early admission of Bulgaria and Romania prompting the position from within the EU that no country would be admitted unless all conditions for membership were fulfilled.

4.1.4. Scenario 2: Convoy. Except for the full admission of Croatia into the EU, bound to happen by 2013, the convoy scenario, the admission of all the remaining countries of the Western Balkans in one take, may still come to pass. The arguments in favour of this scenario in the WB are as follows:

1. Thinking strategically, the process of European integration and enlargement contributed to peace and stability on the continent and it would be wrong to perceive it as a mere bureaucratic process of fulfilling technical criteria and standards;

2. The regional cooperation with the European destination should be placed at the heart of the integration process as it is pivotal for development of sustainable peace and stability in the region and therefore, Europe. So far, within the individual approach, the countries had no real incentive to cooperate, which made the regional cooperation wrung out and insincere. The perspective of a joint admission of all the WB states would contribute to alter this situation;

3. Closing the circles of enlargement. The number of countries that wish to join the EU is getting smaller, which is why this process needs to be brought to an end. The perspectives of all remaining countries other than the Western Balkans and Iceland (primarily Turkey and the countries of the Eastern Partnership) are dubious. Following the end of enlargement, it is necessary to commit to consolidation of the EU and further deepening of integration. EU enlargement should be inextricably linked to the idea of building a federal Europe.

4.1.5. Having in mind these reasons, it is most likely that the EU will opt for the convoy scenario for practical reasons (or its variations, see below). This would imply that even those countries that will be less prepared would be accepted into full membership.

4.1.6. Should this approach be adopted as the official EU policy, the foreseeable bad effects could be a more leisure approach of the countries in the process of reforms, which could in turn prolong the whole process. Also, the countries advancing faster than the rest would be forced to wait for those with the slower pace of reforms, which could result in diminishing support for European integration.

4.1.7. Scenario 3: Modified regatta or Small convoy. The alternative approach to the first and second scenario can lead to the scenario of modified regatta, or small convoys, with the groupings between the countries which will take place in the final stage.

4.1.8. Based on the several criteria out of which the most important are the existence of political obstacles, economic development and the administrative capacity for integration, it is possible to identify two or three smaller groups. According to this scenario, if we place Croatia at the head of this modified regatta, the first small convoy would consist of Macedonia, Montenegro and Serbia, while in the second would be Albania, Bosnia & Herzegovina and Kosovo. Depending on the speed of resolving the political issues, it would be possible for Albania to join the first convoy and for Serbia to drop into the second.

4.1.9. In terms of political obstacles, Table 6 ranks the countries into three groups: grey colour denotes those countries with political issues blocking them from further European integration process, light green those with serious political problems slowing down or bogging the process and the green is for countries without significant obstacles. Regarding the economic development, grey stands for countries with GDP per capita lesser than 33% of EU27 average, light green 33-50% of EU27 average and green is for countries with GDP per capita higher than 50% of EU27 average. The last column displays the assessment of administrative capacities for accession, based on grades from the Progress Report of European Commission.

28. Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.
29. Look at Table 1.
**Table 6**

<table>
<thead>
<tr>
<th>Political obstacles</th>
<th>GDP per capita (PPP relating to EU27 avg. (2010 estimate))</th>
<th>Administrative capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Functioning of the political system</td>
<td>24.34%</td>
</tr>
<tr>
<td>Bosnia &amp; Herzegovina</td>
<td>Constitutional reform issue</td>
<td>24.62%</td>
</tr>
<tr>
<td>Croatia</td>
<td>Nothing significant</td>
<td>59.21%</td>
</tr>
<tr>
<td>Kosovo (<em>SB UN 1244</em>)</td>
<td>The Kosovo final status</td>
<td>No data</td>
</tr>
<tr>
<td>FYR Macedonia</td>
<td>The name dispute with Greece</td>
<td>31.13%</td>
</tr>
<tr>
<td>Montenegro</td>
<td>Nothing significant</td>
<td>34.10%</td>
</tr>
<tr>
<td>Serbia</td>
<td>Hague Tribunal: the Kosovo final status</td>
<td>36.13%</td>
</tr>
</tbody>
</table>

4.2. Alternative scenario: Is there a sustainable alternative to EU membership for the countries of the Western Balkans?

4.2.1. The previous part analysed scenarios in which all the WB countries stick to their strategic decisions to carry on with the association process and EU membership. In this part of the study we will analyse possibilities of the alternative scenarios for the WB countries, which do not include EU membership. Such outcome is particularly advocated by some in Serbia, but the rest of the Western Balkans is not immune to it either. When speaking of alternatives to European integration, three types of perception can be identified: (1) a negative alternative, (2) a positive alternative and (3) an undetermined alternative.

4.2.2. **Scenario 1: negative alternative.** When the alternative to EU is formulated within negative perceptions of the future, it is commonly defined in terms of isolation, self-isolation and wandering in foreign policy. In the worst projections it is a return to nationalist paradigms from the past, politics of crisis-making, and wars.

4.2.3. These projections are still present in the part of public, rising from the premise that crises and wars in the Balkans are still not over and that “there is no final status”31. Political elites, according to this interpretation of the future, are merely waiting for advantageous political circumstances, like the change of the outer structure and power balance, to commence new clashes and redrawing the borders on the Balkans. Therefore, they should be left to their own, with states and their leaders to reach the agreement on their future relations, which could include any mutually acceptable agreement: changes of borders, exchanges of territory, exchanges of population, etc.

4.2.4. The countries of the Western Balkans and especially Serbia as the biggest country in the region, with the potential to influence the situation in Bosnia and Herzegovina, Kosovo and Montenegro, still have a potential to generate crisis and instability in the Balkans. This potential of Serbia is the main reason of its specific importance in the region. By solving the issues that trouble Serbia and its European path, at least another two significant issues in the region would be solved – the status of Kosovo and the constitutional changes in Bosnia and Herzegovina. On the other hand, not solving these issues can lead to negative alternatives. With losing European perspective, countries can be easily reoriented to earlier perspectives of territorial disputes and interethnic strife. Therefore, this scenario is the worst of the lot.

4.2.5. **Scenario 2: positive alternative.** A positive alternative to full EU membership could be divided into two sub-scenarios:

1. Model of special relationship with the EU;
2. Model of privileged partnership with the EU.

4.2.6. **Special relationship with the EU.** One of the models of positive alternative to the EU membership is defined in terms of neutrality towards European integration as such and towards EU membership. Such models of relations with the EU have been adopted by Switzerland, Norway and until recently Iceland, each country with its specificities.

4.2.7. This scenario implies special relations. On one side, it is the adoption of political, economic and legal system imposed by the European surrounding and near full application of regulations adopted in the internal market of the EU. On the other side, this entails an establishment of contractual relations between the parties, which would not amount to full EU membership, but is concentrated on narrow, direct and concrete interests of the parties.

4.2.8. This alternative implies that a country has reached the level of development in line with the rules of European Economic Area, opts for some of the EU policies, and participates in trade with the EU through special bilateral arrangements. EU has such special relationship with the European Free Trade Association (EFTA) countries through the Agreement on the European Economic Area (signed by the EU on one part, and Iceland, Lichtenstein and Norway on the other), or through concluding a set of bilateral agreements pertaining to various aspects of cooperation, as it was done by Switzerland. These agreements were concluded by these countries because full EU membership was not favourable for the protection of certain economic interests and industries.

4.2.9. Adoption of such model for the Western Balkans would be sustainable only with a stable social, political and economic system with sound institutions. The reality is nevertheless different. All problems facing these countries, high corruption, weak institutions, fight against organized crime, or undeveloped economy, could have

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30. The table was made for analytical purposes. Source for GDP data: International Monetary Fund. The shortcomings of the table are that it does not take into account the perspective of removal of some of the political issues (e.g. for some problems solutions have already been devised while for other no such solutions are in sight) or estimates of development of administrative capacities which is one of the goals of the process of stabilisation and accession as well as the influence of the level of economic development or of the size of the market on the decision of accepting a country as a member state. The grades on the administrative capacity were done based on the answers of participants in the research and the annual Reports on progress by the European Commission.

be dealt with in the past decade only within the framework of reforms required by the European integration process. It is difficult to conceive that any of the WB countries could independently implement this model.

4.2.10. This scenario for the WB countries assumes continuation of the reform and association processes with the option to opt out of the EU membership once the criteria are met. EU should not rule out such scenario a priori, above all due to open political problems (e.g. the status of Kosovo) which perhaps will not be solved until Serbia obtains full membership.

4.2.11. Model of privileged partnership. “Privileged partnership” is still a new and undetermined concept; it is unknown what such a partnership would entail. The idea of privileged partnership was proposed by Germany to regulate the relations between EU and Turkey, a candidate country. Turkey turned down any alternative falling short of full EU membership, so this model has not been developed further. Yet, it has remained present in the public.

4.2.12. The privileged partnership can be determined as a type of special contractual relationship between the EU and a country, which amounts to something more than the partnership the EU has with the countries of the Eastern Partnership (for instance Ukraine), cordial relations, but not a full membership. The privileged partnership could besides free trade include entrance to the common market, free movement of labour, capital and services.

4.2.13. The reasons why the scenario of privileged partnership is not a realistic alternative for the WB countries may be summarized as follows:

1. Privileged partnership is an idea offered exclusively to Turkey, due to its size and the potential consequences of its full membership. Such an idea has never been brought up with regard to the relations between EU and the Western Balkans;
2. An opposition to Turkey’s accession to EU is a stable majority opinion of the European public. Some EU Member States have announced a referendum on Turkey’s accession, whose positive outcome is unlikely. This presents the main reason why alternative approaches in relations with Turkey are sought. In the case of the WB such opposition does not exist in the public, nor in the EU institutions or its Member States;
3. Turkey instantly rejected the idea of privileged partnership as a substitute for full membership. Such proposal did not stay on the table, neither have conditions or content of privileged partnership been developed, which makes it undetermined and inappropriate for serious consideration;
4. Any WB country which could accept such special ties with the EU as an alternative, Serbia being the most frequently mentioned in such scenario, is too small to negotiate this scenario on an equal footing.

4.2.14. Bearing in mind these arguments, the idea of privileged partnership, if it can be discussed as a consistent proposal, should be resolutely rejected in Serbia and by other WB countries.

4.2.15. Scenario 3: undetermined alternative. With regards to alternatives to EU membership, the most often mentioned one is actually the least defined, and that is abandoning the European integration without clear guidelines of an alternative path, or the course of new foreign policy. Mainly, the cooperation with anybody where the interest exists is pointed out in general, in the case of Serbia that is strengthening ties with Russia and Non-Aligned Movement, in the case of the region it is acceptance of Turkey as the regional power, the policy of so-called “Neo-Osmanism”, i.e. the idea of the creation of so-called “Turkish Commonwealth”.

4.2.16. None of the estimations of sustainability of this scenario have been made, nor are there any data which would suggest a real interest of this regional integration, e.g. data on trade, possibilities of investments, implementation of reforms, harmonization of regulations, etc. In addition, there is a lack of discussion on mid-term and long-term goals of such integration.

4.2.17. With regard to Serbia and strengthening of ties with Russia, it is not defined what the goals of such an alliance would be, what direct benefits could Serbia have, the way trade imbalance would be set straight, what steps need to be taken to get to such integration, what consequences for cooperation with the rest of Europe this entails. What would be the interest of Russia to begin such integration with a small Balkan country is also unclear. Geographical distance between the partners would make such an arrangement hardly sustainable once Serbia is surrounded entirely with the EU. In this case Serbia would opt for the status of isolated, periphery state.

4.3. Toward defining a scenario for the accession of Serbia

4.3.1. In the process of European integration, Serbia is blocked mostly due to unresolved political issues – extradition of the remaining fugitives to the ICTY and resolution of the Kosovo issue. Solution to the first issue is known and it is expected that this political obstacle will be removed; solution to the second issue is complicated, above all because the EU Member States do not have a unified approach to this question.

4.3.2. The issue of recognition of Kosovo by Serbia is already open in informal talks as a condition for the EU membership. Alternatively, a solution to this issue which does not need to include formal recognition is also considered. The most important EU Member States and EU institutions hold that a country with territorial problems and disputes, after the experience of Cyprus, cannot be admitted to EU membership.

4.3.3. The issue of Kosovo, therefore, will have to be resolved before Serbia’s and Kosovo’s accession to the European Union. For the time being, the Serbian association process to the EU and the resolution of Kosovo issue are two separate processes. European integration of Kosovo is carried out according to different rules and separately from Serbia. Formally, in the accession process Kosovo is still being treated under the United Nations Security Council Resolution 1244.

4.3.4. Two basic scenarios with regard to resolving the Kosovo problem are on the table: (1) recognition of Kosovo by Serbia, and (2) reaching the mutually accepted solution for Kosovo. Both scenarios imply normalization of Belgrade – Pristina relations, which
should be achieved through a political process, by solving the non-status related, “technical” issues. Under auspices of the EU, such dialogue begun in March 2011.

4.3.5. This open issue presents a burden to European integration for both sides. The interest to begin the process of resolving this issue is mutual, so the solution is reached in due time. Serbia will have to deal with this issue sooner or later, while it is to be expected that the pressure will rise with the progress in the EU association and accession process. Kosovo still cannot formally launch its European integration process, as it is blocked by the five EU countries that haven’t recognized it. Hence, the alternative approaches are already being discussed with a view to signing a trade agreement with Kosovo without signing the SAA.

4.3.6. Scenario 1: formal recognition of Kosovo. Recognition of Kosovo by Serbia is not an option that is formally taken into consideration at this point. This move is not expected from Serbia in the near future from parties involved: EU, its Member States, Kosovo, or the political elites in Serbia. It is not likely it will be formally set up on the level of the EU, in the first place because of the disagreement within the EU regarding this issue.

4.3.7. What is to be expected is that the major EU Member States will intensify pressure on Serbia to recognize Kosovo, if it wants to become a full member of EU. Following the principle of unanimity in decision making process on the final accession to the EU, it would be sufficient that only one EU state disagrees with accession of Serbia because of the Kosovo issue. In effect this would be equal to the formal condition. The scenario that includes recognition of Kosovo could develop in two possible sub-scenarios, each with different timing:

1. Formal recognition during the process of accession to the EU;
2. Formal recognition in the end of the process of Serbia’s accession, meaning just before the moment of accession or in a moment of “passing the finish line”.

4.3.8. Formal recognition during the process of accession to the EU. The scenario according to which the recognition of Kosovo would happen during the process of accession to the EU will be the result of a growing awareness within Serbia that such a move is its internal need. If it comes to such development, it would be a wind in the back for the process of European integration of Serbia, lower the tensions in the region, making it easier to complete the European integration process. For Serbia this would be the best case scenario in terms of the pace of achieving full EU membership.

4.3.9. Achieving this effect would be possible only if the consensus regarding this issue would exist inside Serbia and between major ruling and opposition party. If the pressure and conditionality to recognize Kosovo occur at this stage, it would inevitably lead to destabilization of pro-European forces in Serbia, and would in short term and medium term create political instability in Bosnia and Herzegovina and Kosovo. Due to this reasons, this scenario is unlikely to happen.

4.3.10. Formal recognition in the end of the process of Serbia’s accession. As for the second sub-scenario, the recognition should happen in the end of Serbia’s EU accession. With this move Serbia would practically delay the final resolution of this issue until the moment of accession of Serbia to the EU. Until then, both sides would have parallel and separate integration process, with full normalization of relations through dialogue on the so called “technical issues”.

4.3.11. In this second sub-scenario the emphasis would be put on the political process. It should provide freedom of trade, movement of people, fight against organized crime, establishment of permanent channels of communication, resolution of property and other legal issues, power supply, telecommunication etc. The main goal of this process is to remove tensions between two parties, to start building a climate of trust and cooperation. The formal recognition would be left for the end of Serbia’s accession to THE EU. In this scenario, Serbia would be placed in an “either-or” situation in the end, but the level of achieved integration of Serbia to the EU would disable destabilization of the region, regardless of the final decision. If Serbia opts for this scenario, the unsolved question of Kosovo would slow her down on every step, because the pressure of the leading EU Member States on Serbia would increase as it progresses with its EU accession process. This scenario seems most certain, although not very favourable when it comes to the pace of Serbia’s EU accession.

4.3.12. Scenario 2: Resolution of the Kosovo issue through the solution acceptable for both parties. Scenarios that do not include formal recognition, but do not exclude it either, leave open door for possibility to achieve the agreement acceptable for both parties.

4.3.13. In this way, agreement between two parties to solve the issue would become a necessary condition for EU membership, without prejudice to the content and form of such agreement. This scenario has many possible sub-variations to solve this issue: the partition of Kosovo32, the establishment of relations that existed between East and West Germany during the Cold War33, exchange of territory34, making a supplement to Ahtisaari plan with adding a special status for the North of Kosovo, making some special arrangements similar to those between the United Kingdom and members of the Commonwealth35, up to the satisfaction with factual rather that formal recognition.

4.3.14. Consideration of these scenarios is not likely because new negotiations on Kosovo are not envisaged. Moreover, reaching this type of agreement assumes political elites in Belgrade and Pristina capable of recognising common interests and ready

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32. Partition of Kosovo is based on principle of effective control of territory, meaning the acceptance of practical reality. In this scenario both parties would accept the reality: Serbia that it does not control Kosovo and that there is no realistic option it would in the near future and Kosovo that it does not control its northern part. Based on this approach, that would lead to partition and mutual recognition.
33. Agreement on mutual recognition of two German states was achieved in 1972, and it was a basis for peace, cooperation, development of good neighborly relations and membership of both states in the UN, but it has not questioned the different positions regarding the national question, which in effect left this issue open until the reunification in 1990.
34. Exchange of territory would include the exchange of northern Kosovo for the Presevo valley.
for open dialogue and compromise. If the climate between Belgrade and Pristina would change during the negotiations on the “technical issues”, there would be some probability that parties could accept one of these scenarios. This solution represents a middle way between the possibility to maintain status quo and formal recognition of Kosovo by Serbia. This scenario could be benefiting both for Serbia and Kosovo, if the parties demonstrate will to seriously negotiate and reach a compromise.

5. CONCLUSIONS AND RECOMMENDATIONS

Realistic and sustainable alternative to full EU membership for Serbia and the countries of the Western Balkans absolutely does not exist.

The arguments in favour of the claim that full EU membership does not have a sustainable alternative, or any other that can compare with membership are: geographical affiliation to the European continent, historical, civilization and cultural connection with it, lack of resources for independent action, dependence of foreign trade and the need for economic development through investments and development of poor regions by utilizing pre-accession, then EU’s cohesion and structural funds, strengthening democracy and democratic institutions, reforms that will be most easily facilitated through the process of European integration.

Only through EU membership, can the WB countries be in a position of relevant and credible actors in European politics, and together with other partners work on deepening of European integration towards the creation of European federal state, that will ensure democratic legitimacy of the European project, efficiency of institutions and a stronger European voice in the world.

Therefore it is necessary to remove all obstacles to full membership of all countries of the Western Balkans.

Based on these conclusions and previous analysis, a list of recommendations for public authorities can be determined: (1) for EU and its Member States, (2) for the countries of the Western Balkans and (3) for Serbia.

EUROPEAN UNION AND ITS MEMBER STATES SHOULD:

− Respect their obligations towards the Western Balkan countries articulated at EU – Western Balkans Summit in Zagreb in 2000 and Thessaloniki in 2003; clearly, strongly and explicitly confirm perspective of full EU membership for the WB countries after fulfilling necessary criteria, putting enlargement on top of their priorities;
− Prevent the possibility that enlargement policy loses its momentum due to the economic crisis and becomes its victim; show that economic crisis is not a result of enlargement, nor should it be an obstacle or a threat to it;
− Prevent misuse of enlargement issue for political purposes by certain leaders of EU Member States and use the enlargement issue for political gains;
− Re-examine the current results of the SAP and estimate whether they are sufficient for the successful completion of the process;
− Adopt the new enlargement strategy, that will lead to targeted reforms beneficial to the citizens of the Western Balkans;
− Rethink individual approach toward countries of the region and its consequences for regional cooperation; rethink the accession to the EU of all the countries of the region at the same time (excluding Croatia), that is the wave of enlargement that could encompass the whole of the Western Balkans;
− Re-evaluate the way in which IPA funds have been used so far, simplify procedures, establish a set of clear and transparent rules for its usage;
− Start, on the level of EU and every Member State individually, an open and sincere debate about the advantages and challenges of the future EU enlargement, condemn expressions of xenophobia that is contrary to the key European values;
− Intensify efforts to ensure full implementation of political, economic and legislative reforms for all countries of the Western Balkans, that lead to a meaningful and successful process of accession; Facilitate political process aimed at fostering regional cooperation between these countries and removal of all political obstacles in relations between the countries that are blocking their progress towards the EU membership;
− Immediately give Kosovo authorities a road map toward visa liberalization and decide on the date for Macedonia to start the membership negotiations.

THE STATES OF THE WESTERN BALKANS SHOULD:
− Intensify reforms and breathe a new life to the process of fulfilling criteria for EU membership;
− Intensify efforts towards overcoming particular interests that diminish overall chances of progress towards the EU;
− Initiate honest and open debate about all issues that burden the region; find models to synchronize the interests of the WB states enabling the region to speak with “one voice” in the context of European integration;
− Remove all obstacles in communication and cooperation between citizens, businessmen, companies, cultural institutions; remove trade and all visible and invisible barriers that prevent free movement of people, goods, capital and services, provide full implementation of the CEFTA agreement; initiate common infrastructural projects that would connect the region with roads and modern railway; remove barriers for establishing regular air travel between cities of the region;
− Make a final costs/benefit analysis from the accession to the EU; start a dialogue with its citizens about the reasons why a full EU membership is the only sustainable scenario.

SERBIA SHOULD:
− Explicitly and finally determine the list of its key national interests; set full EU membership on top of the list and remove dilemmas, speculations and biddings in the public about its political orientation in Europe;
− Create conditions for removing all remaining obstacles that block country’s progress towards the EU; define and start implementation of a sober politics in order to perceive its national interests in a realistic way, rationally approach a final and sustainable resolution for the Kosovo issue, which would result in a wind in the back not only for Serbia, but the whole region towards the EU membership;
− Intensify efforts in the implementation of reforms, strengthening of the economy, fight against corruption and organized crime, strengthening of the institutions of key importance for the rule of law and good governance; urgently make up for a delay in fulfillment of the National Plan for Integration in the EU;
− Intensify efforts to reach an agreement about all open questions with its neighbours, paying special attention to the states created during the breakdown of Yugoslavia, in the spirit of improving regional cooperation and development of good neighbourly relations in accordance with the SAA; take part in all regional initiatives by taking a constructive stand toward all actors in the process.
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Union of European Federalists (UEF) is established in 1946 in Paris, as a supranational political movement dedicated to the promotion of a democratic and federal Europe. 65 members of the European Parliament from four different political groups are members of the movement. Serbian section of the UEF was accepted to full membership of the movement in October 2010 thus becoming 21st European section of the UEF, the first on the Western Balkans. UEF Serbia gathers citizens who wish to contribute to the promotion of European and democratic values in Serbia, European integration with the goal of obtaining a full-time membership of Serbia in the European Union, as well as encouraging public debate on the political content of the European Union and the creation of the European Federation.

Centre for European Policies (CEP) is an independent think-tank seeking to develop practical, effective and evidence based European policy solutions to the problems facing Serbia, the region of Western Balkans and Europe. Centre is seeking to conduct research, studies, expertise and writing effective European policy proposals. The research of CEP reflects the goals and values of the UEF Serbia, but CEP is also determined that it should begin with reference to data and facts, not dogma. A good idea is always valuable, regardless of the side of political spectrum it comes from. Over time, CEP intends to include a variety of issues related to public and European policies.

Centre for European Studies (CES) is a European political foundation, representing a new phase in Europe-wide policy formation and research, embodying a pan-European mindset. The Centre constitutes the official think-tank of the European People’s Party (EPP) and, in particular, serves as a common European framework for national foundations/think-tanks recognized by EPP member-parties. The core activities of the Centre for European Studies are its research and study projects, which are complemented and supported by conferences, seminars, workshops and publications, many of which are executed in conjunction with its member organizations.

Konrad Adenauer Foundation (KAS) is a political foundation close to the Christian-Democratic Union of Germany (CDU). Freedom, justice and solidarity are the leading principles of the KAS work. As a co-founder of the CDU and the first German Chancellor, Konrad Adenauer (1876-1967) has connected Christian-democratic, conservative and liberal theory. His name is the symbol of democratic reconstruction of Germany, foreign policy orientation within the transatlantic value system, the symbol of vision of European unification and the orientation to the social market economy. Preservation of his spiritual legacy is the task and the duty of the KAS.
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