EU Enlargement to the Western Balkans: Challenges Facing Potential Candidates

The prospect of accession can encourage reform and reconciliation in countries aspiring to join the European Union. However, in the Western Balkans, enlargement faces serious obstacles. The legacies of war and isolation remain alive in Bosnia and Herzegovina (BiH) and in the other potential candidate countries – Albania, Kosovo (under United Nations Security Council Resolution 1244), Montenegro, and Serbia.

In addition to domestic challenges such as respecting minority rights, pre-accession reforms in these countries are discouraged by uncertainty and "enlargement fatigue" on the EU’s part. Nonetheless, both the EU and potential candidates stand to benefit from extending the continent's area of stability and prosperity. The European Parliament supports the "European perspective" of all Western Balkan countries.

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State of play

EU enlargement helped consolidate peaceful democratic change, stability and prosperity in Central and Eastern Europe. The prospect of accession could also motivate reform and reconciliation in the Western Balkans. Enlargement opens economic opportunities and adds to the EU's weight on the global scene.¹

However, there are no guarantees that EU enlargement will replicate its previous achievements.² In the Western Balkans, states tend to be weak and societies divided. The wars that dismantled the former Yugoslavia and Albania’s history of isolation continue to obstruct political and economic reform. Croatia is nearing the completion of its accession negotiations, and the European Commission has recommended opening talks with The former Yugoslav Republic of Macedonia (FYROM). However, the countries currently labelled as "potential" candidates face serious hurdles in meeting EU membership criteria. Difficulties include...
Western Balkan countries – year of application:

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<th>Candidates</th>
<th>Potential Candidates</th>
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<td>FYROM – 2004</td>
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consolidating the rule of law and good governance, respecting minority rights and media freedom, cooperating with the Hague tribunal and building good-neighbourly relations.

The incentive for compliance with EU conditions is maximised by a credible prospect of accession. However, "enlargement fatigue" grips parts of the EU. The EU also struggles to achieve a coherent policy with regard to Kosovo. The global economic downturn has exacerbated difficulties both in the EU and in potential candidate countries.

**Visa liberalisation.** In December 2009, the EU lifted Schengen visa requirements for citizens of FYROM, Montenegro and Serbia. The three countries met benchmarks for passport security, migration and border controls, and measures against organised crime and corruption. The Commission is due to assess the preparedness of Albania and BiH for visa liberalisation by mid-April 2010. The extension of the visa waiver is scheduled to proceed despite a surge in asylum-seekers from FYROM and Serbia.³ Problems with Kosovo’s fledgling institutions and controversy about its status impede progress towards visa-free travel.

**EU financial support** is another incentive for reform in (potential) candidate countries. Assistance focuses on institution building, the rule of law, human rights, minority protection, cross-border cooperation and civil society. Additional goals are to support alignment with EU rules and development of a functioning market economy. The EU also funds local non-governmental organisations working towards ethnic reconciliation. For 2010, the Instrument for Pre-Accession Assistance has allocated €93.2 million to Albania, €106 million to BiH, €67.3 million to Kosovo, €34 million to Montenegro, and €198 million to Serbia.

**Challenges**

**Challenges within the EU.** The entry into force of the Lisbon Treaty enabled enlargement to proceed by resolving outstanding institutional questions. However, Member States continue to disagree on the recognition of Kosovo’s independence from Serbia. BiH’s problems have also tested unity within the EU and the wider international community. Moreover, critics have reproached the EU for lacking a comprehensive strategy for transitional justice and reconciliation in the Western Balkans.⁴

An additional challenge is ensuring public support: in several pre-2004 Member States, a majority of citizens oppose further enlargement (see Annex). The Commission called on Member States to share responsibility for communicating the benefits of enlargement. The Commission maintains that the pace of the accession process will mirror the pace of reforms in candidate countries. Nonetheless, the EU has sent mixed signals, with some politicians in key Member States opposing enlargement beyond Croatia.⁵

**Bilateral disputes between candidate and Member States.** In September 2009, Slovenia and Croatia agreed on international arbitration to resolve their border dispute, eliminating a longstanding obstacle to Croatia’s accession. However,
Greece continues to block the launch of negotiations with FYROM because of disagreement over the name "Macedonia".

Economic crisis. Since mid-2008, output in the Western Balkans has contracted as export demand and foreign direct investment fell. Fiscal constraints may further complicate efforts to meet EU membership criteria. Nonetheless, the prospect of EU entry contributes to investor confidence in the region.

Hague Tribunal. The EU has insisted that (potential) candidate countries cooperate fully with the UN International Criminal Tribunal for the former Yugoslavia (ICTY). However, war crimes suspects remain heroes in the eyes of nationalists at home. The tribunal is currently trying former Republika Srpska President Radovan Karadžić, captured in July 2008, and Croatian General Ante Gotovina, captured in December 2005. EU pressure contributed to both arrests. Yet, two Serbs indicted for crimes against humanity remain at large: Ratko Mladić and Goran Hadžić.

Domestic prosecutions of war crimes have largely failed to establish justice or reconciliation. The problem of impunity for war crimes continues to poison inter-ethnic relations across the region. In March 2010, Bosnian Muslims were outraged by the arrest of Ejup Ganić in London on a Serbian warrant for an alleged 1992 war crime.

Regional cooperation. Good-neighbourly relations are a condition for accession. Croatia and Montenegro agreed to settle their border dispute through the International Court of Justice (ICJ). Serbia and Croatia now largely refrain from destabilising BiH by backing hardliners there. However, relations between Serbia and Montenegro remain tense after an exchange of accusations. Serbia’s refusal to recognise Kosovo’s independence has hindered regional initiatives. Recognition of Kosovo is not a formal condition for Serbia’s accession but EU Member States are determined not to import unresolved conflicts into the Union.

The Regional Cooperation Council, launched in February 2008, aims to be a more locally owned and led initiative than its predecessor, the Stability Pact for South Eastern Europe.

A summit in Slovenia on 20 March 2010 failed to achieve a common regional front towards EU accession. Serbian President Boris Tadić boycotted the event after Pristina declined to participate under the name "Kosovo-UNMIK". Bosnian Serb leader Nikola Špirić walked out during remarks by Kosovo Prime Minister Hashim Thaçi. The EU was represented only by Enlargement Commissioner Štefan Füle, as President of the European Council Herman van Rompuy had made his attendance conditional on participation by all countries. Another regional summit is scheduled for June 2010.

Rule of law and good governance. Corruption and organised crime remain rife in the Western Balkans. In addition to posing a domestic challenge, these problems – covered extensively by the media – erode public support for enlargement within the EU. According to the Commission, potential candidate countries have made progress in adopting legislation and establishing institutions but implementation is lagging. Areas of concern include public procurement, privatisation, the judiciary, and political party finance. Closer judicial cooperation within the region is necessary to combat organised crime.

Refugees and internally displaced persons (IDPs) live in substandard conditions and remain vulnerable to
violence. According to the United Nations High Commissioner for Refugees, there are nearly 350,000 IDPs in the Western Balkans, mostly in Serbia and BiH. Progress in integrating minorities has been uneven at best.7

Overview of potential candidates

Albania applied for EU membership in April 2009 and is currently responding to a detailed accession questionnaire from the Commission. External observers endorsed parliamentary elections in June 2009 as largely compliant with international standards. However, the main opposition party claimed the vote had been rigged and boycotted parliament for over eight months, despite admonitions from the EU about the need for political dialogue. The opposition returned to parliament in February 2010 but political deadlock resumed over demands for a parliamentary investigation into allegations of electoral fraud.

Bosnia and Herzegovina is also locked in political stalemate, delaying reform in the two largely autonomous entities of Republika Srpska (RS) and the Federation (comprising Bosnian Muslims and Croats). Issues of contention include benefits for Bosnian Muslim war veterans, and plans for a referendum law in RS. Over two-thirds of poll respondents are dissatisfied with the country’s overall direction.8 Ethnic Serbs wish to secede and join Serbia, Croats demand their own entity within BiH, while Muslims prefer a centralised government.

The international community remains divided over plans to close the Office of the High Representative (OHR) which has far-reaching powers within BiH. Charged with maintaining peace since 1995, the OHR has been criticized for breeding a culture of dependency among Bosnian leaders, preventing them from taking responsibility.

More recently, RS defiance and uncertain international support have undermined the OHR’s authority, contributing to confusion and instability in BiH. Since March 2009, the OHR has been headed by Valentin Inzko who is also the EU’s special representative.

The EU requires OHR closure before it can consider a membership application from BiH. However, Bosnian leaders must first agree on the distribution of state and defence property between the central government and the two entities. Another source of contention is a forthcoming population census. RS insists that the census include a question on ethnicity – a demand that Bosnian Muslims will accept only on condition of further funding to enable refugees to return to their pre-war homes.

In December 2009, the European Court of Human Rights ruled that BiH’s constitution discriminates against Jews and Roma, preventing them from running for election to the country’s leading posts.9 Ahead of parliamentary and presidential elections in October 2010, inflammatory rhetoric is impeding the consensus needed to adopt constitutional amendments that the EU requires. EUFOR, a 2,000-strong EU-led military operation that took over from NATO in 2004, is charged with preventing a resumption of violence.

Kosovo seceded from Serbia unilaterally in February 2008. The ICJ is due to deliver an advisory ruling on the legality of independence by November 2010. All EU Member States except Cyprus, Greece, Romania, Slovakia and Spain have recognised Kosovo. The EU’s special representative Pieter Feith also heads the International Civilian Office (ICO), coordinating efforts by countries that recognise Kosovo. Belgrade and its supporters in Kosovo do not acknowledge the ICO and refuse to engage with Feith.
Serbs are cooperating with EULEX, the EU’s rule-of-law mission which maintains neutrality on Kosovo’s status. Deployed throughout Kosovo, EULEX aims to build local judicial, police and customs capacity. In addition to institutional weakness, Kosovo suffers from unemployment and faltering investor confidence.

A serious challenge for Kosovo remains integrating a Serb enclave in the north that runs its own “parallel” institutions loyal to Belgrade. Stability is precarious, with occasional incidents in the divided town of Mitrovicë/Mitrovica. Ethnic tension also afflicts Preševo, an Albanian-dominated region of Serbia that borders Kosovo.

Increased numbers of Serbs voted in municipal polls in southern Kosovo in November 2009, which the EU encouraged them to do. The stakes are high in forthcoming local elections in northern areas where Serbs have previously boycotted Kosovo elections.

Montenegro applied for EU membership in December 2008 and the Commission is drafting an opinion, as requested by the Council in April 2009. Montenegro has made progress with political reforms, and parliamentary elections in March 2009 largely met international standards. Despite the recession’s heavy impact and problems with corruption and administrative capacity, Montenegro appears on course to receive candidate status.10

Serbia’s pro-EU coalition government submitted an application for membership in December 2009, a year after the Council unblocked the interim trade agreement. In March 2010, the EU welcomed a landmark declaration narrowly passed by Serbia’s parliament, acknowledging Belgrade’s responsibility for failing to prevent the 1995 Srebrenica massacre. However, The Netherlands continues to oppose unfreezing the stabilisation and association agreement until Mladić, believed to be hiding in Serbia, appears before the ICTY.

In addition to war crimes, the Kosovo issue continues to polarise Serbian politics and complicate relations with its neighbours and the EU. The recession has imposed fiscal austerity, provoking public discontent.

European Parliament role

The European Parliament exercises its power of consent after the completion of negotiations. The EP also voices its views at earlier stages and it plays a budgetary role. The Lisbon Treaty now requires that the EP (as well as national parliaments) be notified of applications for EU membership. The Foreign Affairs Committee coordinates work on enlargement to ensure consistency between plenary positions and the activities of specialist and joint committees.

In resolutions on the Commission’s annual enlargement reports, the EP has consistently supported the "European perspective" of all Western Balkan countries.

Parliament urged ex-Yugoslav countries to cooperate fully with the ICTY, while also expressing concerns about the public perception of the Tribunal in those countries.11 Regarding public opinion within the EU, Parliament called for an improved communication strategy. MEPs also took the view that bilateral disputes should not obstruct progress towards accession.

Further reading

Future accessions, key issue dossier with links compiled by Jan Bäverström, EP Library.
Endnotes

5 "Most EU hopefuls face long wait to membership", Reuters, 1 February 2010.
8 National Democratic Institute, Public Opinion Poll in Bosnia and Herzegovina, October 2009.
9 Herbert Pribitzer and Georgios Ghiattis, Bosnia and Herzegovina Country Briefing, DG EXPO Policy Department, 25.01. 2010.
10 Economist Intelligence Unit, Montenegro Country Report, January 2010.
11 EP Resolutions on Croatia’s 2006 and 2007 Progress Reports (2006/2288(INI) and 2007/2267(INI)).
12 Source: Rapport Eurobaromètre 72, February 2010 (Fieldwork: October - November 2009).