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The Western Balkans and possible alternatives to accelerating EU membership

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Abstract

"The future of the Balkans lies within the European Union" - this is the central sentence of the European Council conclusions adopted at the Thessaloniki Summit in 2003. Today, almost two decades later, the Western Balkans are even further away from that goal. After mass membership in 2004, then Bulgaria and Romania in 2007, and finally Croatia in 2013, the EU obviously looks tired. Montenegro has entered the the twelve yearstenth year of negotiations, and the results are still halfway through. Serbia is experiencing the same fate. And other Western Balkan countries have been on "waiting tracks" for decades.

Fulfillment of basic conditions for membership such as - stable democratic institutions, rule of law, respect for human and minority rights, functioning market economy, competitive capacities, etc. - seems to be stagnant. In much of the Western Balkans economies have remained underdeveloped, dependent on aid, loans and remittances, and prone to high levels of state intervention.

No new memberships are expected to occur in the near future. All this creates depression in the region with many accompanying risks. In these conditions, the region should think about possible alternatives for speeding up the integration process, which would not be in conflict with the existing compatibility of the European integration process. Could it be the European Economic Area, assisted by the Berlin Process, Open Balkans (Mini-Schengen), CEFTA, etc.?

During this paper we will use especially the methods of analysis, synthesis, comparison and history.

Keywords: Western Balkans, Integration, European Economic Area

INTRODUCTION

The EU is the natural destination for the six Western Balkans countries that are still outside the Union - Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia. And their path towards European integration - at varying speeds according to each case - will be defined and determined by a series of political, economic, social and institutional reforms set down by the European Commission in its "EU-Western Balkans Strategy" from 2018. Very often, it is not so easy to implement the *acquis communautaire*, without the influence of the European Union, that is, unless the Union itself provides clear and tangible incentives to do so (see, Trauner, 2009, p.3).

The Balkans is a European and global neuralgic point, which has been witnessed in the past. Therefore, pacifying this region means preserving regional and world peace. The Western Balkans has to create a common market, a common economic whole, a common energy policy, a common policy in telecommunications, transport, all of which would be complemented by the development of human rights, democracy and the rule of law. Realistically, Western Balkans has been pushing for more significant trade integration through CEFTA for years, but obviously the work is going very slowly. This free trade agreement works between all Western Balkan countries and Moldova, but the expected effects are not sufficient.

The six Western Balkan countries are at different stages of the EU integration process. Serbia and Montenegro are in the negotiation process, Northern Macedonia and Albania have received the date of negotiations, but new obstacles are emerging. Bosnia and Herzegovina is a candidate, while Kosovo is still at an early stage. But the fact is that the Western Balkans integrative process has significant delays compared to Bulgaria and Romania. All the indications, in particular the great internal divergences around this issue show that the EU is tired of expanding with new member states. This directly affects the Western Balkan countries, which will need many years to negotiate with the new EU membership negotiation methodology. This could lead to collective outbursts in this region, but also to increased geopolitical appetites of other countries, such as Russia and China.

This region is more than ever faced with two choices: cooperation and integration in the face of conflict and war. Hence the need for some "new Schumann plan", since then French Foreign Minister Robert Schumann's 1950 statement is relevant also to today's political situation in the Western Balkans. The Multi-annual Action Plan for a Regional Economic Area in the Western Balkans puts forward a structured agenda for regional economic integration, along the lines proposed by the Leader's Meeting, namely: promoting further trade integration, introducing a dynamic regional investment space, facilitating regional mobility and creating a digital integration agenda.

The lack of economic cohesion, the high rate of the "grey economy", the slow democratic transition process and the ethnical nationalism have all been identified as obstacles for efficient

regional cooperation. The EU attempts of promoting stability and regional co-operation have only had partial success. The regional co-operation will have a limited effect in a long-term period if the countries that in fact are the biggest source of instability and conflicts in the region are excluded.

From the practice so far, it can be concluded that the EU has neither got sufficient power to induce democratization, nor to build states. While it has developed a comprehensive approach for democracy promotion, but to the EU lacks a clear strategy for state-building in the first place. It is positive that the EU supported the conviction in the region that the rule of law should be understood as the “foundation upon which every other dimension of democratic quality ultimately rests” (Magen and Morlino, 2008, p.7). The EU encouraged rule adoption in justice and home affairs by including the respective rules and “by emphasizing their link to the country’s rapprochement with the Union” (Trauner, 2009, p. 20).

Security and Regional Co-operations

Initiating of the process of regional co-operation is not at all a simple task and it remains to be a challenge. The last Western Balkan wars have greatly affected the internal economies of the Balkan countries, the international trade, and in some cases social and political international cooperation. There are several official regional initiatives concerning the Balkans: CEFTA 2006, Black Sea Economic Cooperation (BSEC), Southeast European Cooperative Initiative (SECI), Energy Community, South-East European Cooperation Process (SEECP) and many other official and unofficial initiatives. All these are aimed towards postconflict consolidation, reconciliation and integration of the eponymous region to the Euro-Atlantic structures (see, Alcaro, 2010, p.1) .

The EU attempts of promoting stability and regional co-operation have only had partial success. EU had success only in the use of its economic and political capacities in its purpose to encourage the domestic reforms. In this way, the EU probably succeeded less than NATO in overcoming the bilateral character of its relations with the Western Balkan countries and in encouraging multilateral regional form of co-operation. In any case the role of the Alliance was not only to defend its members but to “contribute to peace and stability on a global scale through the development of partnerships and through peace and stabilization operations” (Wioeniewski, Bartosz, 2010, p.16). One of the promotion modes of this kind of co-operation can be the use of the channels that are open to bilateral agreements and the assistance program, in order to promote the multilateral inter-border co-operation in the areas of economic development infrastructure, transportation, ecology, and crime prevention. On a military-political level, what should be emphasized are the modes that the new “common European defence” can use in promoting the regional co-operation in the Western Balkans by involving aspirants in various educational programs of the European Union (Ringsmose, 2011, p.15).

The Alliance can provide a great amount of financial support for its members and PfP/EAPC activities in the region and to encourage the dialogue about the security non-military aspects (such as the economic and cross-borders co-operation, and thus contributing to decreasing ethnical tensions). Also, the Alliance can contribute to “a bigger practical support in establishing and implementing bilateral and regional measures of building trust and cooperation” (Nikodinovska, Stefanovska, 2012, p.47). The New Strategic Concept of NATO is informing the world about why the Alliance “is still vital and vigorous” (Ringsmose, 2011, p.7).

In this context, Pridham thinks that NATO did not enough succeed in developing an efficient strategy of facing the abovementioned reasons for regional problems, caused by the defects during the process of democratization and violent nationalism (See, Pridham, 2008, p.56-70). On the other hand, in the long term the solution about the crises in Western Balkans and the expansion of the stability throughout the region of South Eastern Europe will “depend on the development of the democracies, which, according to same standards, will respect human and minority rights in every single country” (Clark, 2001, p.45).

The Berlin Process

The Berlin process is began with the 2014 Conference of Western Balkan States in Berlin, and was followed by the 2015 Vienna Summit, the 2016 Paris Summit, the 2017 Trieste Summit, the 2018 London Summit, the 2019 Poznanj Summit, the 2020 Sofia Summit, and the Berlin Summit (2021).

The goals of the Berlin process were outlined in the Final Declaration by the German Chair in 2014: “To make additional real progress in the reform process, in resolving outstanding bilateral and internal issues, and in achieving reconciliation within and between the societies in the region”, as well as to enhance “regional economic cooperation and lay the foundations for sustainable growth” (Anastasakis, Bennett, Sanfey, 2018, p.1).

Lack of progress in reducing corruption, and improving security and the rule of law in Western Balkans countries, were seriously affecting the scale and impact of foreign investment in the region. The creators of the Berlin Process were of the opinion to place greater emphasis on other issues as well, such as education, entrepreneurship, inequality, and youth development. Under the Multilateral Action Plan for a Regional Economic Area agreed at the Trieste Summit in 2017, efforts are to be focused on: (i) promotion of further trade integration; (ii) introduction of a dynamic regional investment space; (iii) facilitation of regional mobility; and (iv) creation of a digital integration agenda (see Declaration of the Western Balkan Summit in Trieste, July 13 2017).

European Economic Area

After mass membership in 2004, then Bulgaria and Romania in 2007, and finally Croatia in 2013, the EU seems tired. Montenegro has entered the thirteenth year of talks, and the results are still halfway through. Serbia is experiencing the same fate. And other Western Balkan countries have remained on the "waiting track" for decades. No new memberships are expected to occur in the near future. All this creates depression in the region with many accompanying risks. In these conditions, the region should think about possible alternatives for speeding up the process, which would not be in conflict with the existing compatibility of the European integration process. Could it be the European Economic Area?

It is obvious that Western Balkan countries are all individually very small and economically underperforming and they have tight markets and tight markets are inefficient. The market in the former Yugoslavia was certainly one broader market given the complementarity of production factors. Today the Western Balkan countries among themselves have approximate a similar level of development and no West Balkan country can have drastically different sustainable development from its other neighbors.

Labour mobility within the region was seen as important in order to ensure that the right skills were available to support the investments undertaken. However, the most damaging mobility has been the emigration out of the region of the most skilled workers. The large displacement from the region, in particular of the vital and professional youth, represents a historic handicap for this part of Europe. In fact there can be no sustainable development without this generation.

The European Economic Area (EEA) brings together the EU Member States and three of the EFTA States (Iceland, Liechtenstein and Norway). It was established by the EEA Agreement, an international agreement which enables these three EFTA States to participate fully in the Single Market. The objective of the EEA Agreement is to create a homogenous European Economic Area. All relevant EU legislation in the field of the Single Market is integrated into the EEA Agreement so that it applies throughout the whole of the EEA, ensuring uniform application of laws relating to the Single Market. The 27 EU Member States, together with the three EFTA States - Iceland, Liechtenstein and Norway, make up the EEA Contracting Parties. For the Western Balkan countries, membership in the EEA would be like membership in the EU, but without participation in its institutions.

The membership of the Western Balkan countries in this organization would undoubtedly give to the region development power. This would not be an alternative to the membership of the Western Balkan countries in the EU, but a compatible membership process, even speeding up the

accession process. Following the stabilization of the situation in the EU, from the position of EEA member the accession talks for these countries would be much faster.

Open Balkans (Mini-Schengen)

Diplomats are still wondering what's behind the initiative of Albania, North Macedonia and Serbia, who, in October 2019, decided to advance regional cooperation by forming a so-called "Mini-Schengen" in the Western Balkans. The Prime Minister of Albania Edi Rama have said that the goal of all three countries was to be part of the European family, "while this family has its own problems, we can't be hostages of the past" (BalkanInsight, October 10.2019).

Leaders of Serbia, Albania and North Macedonia have signed a so-called "Mini-Schengen" deal, which, modelled on the passport-free zone of the EU, envisages free movement of people, goods, capital, and services among the three countries. Officials of the three countries said they expect all six countries of the Western Balkans to join the area soon (See BalkanInsight, October 10. 2019). "In a nutshell, the idea is to create a Balkan version according to the EU model for free-borders" (See Çipa, 2019, p.2).

Common market and customs union in the Western Balkans Six will enable unobstructed flow of goods, services, capital and highly skilled labour, making the region more attractive for investment and commerce, accelerating convergence with the EU and bringing prosperity to all its citizens. The aim is to transform the Region in which goods, services, investments, and skilled people move freely without tariffs, quotas or other unnecessary barriers. The removal of barriers to regional investment offers the opportunity for economies of scale, geographically diversified businesses, and an overall more efficient allocation of resources within a regional market, thereby fostering the integration of companies from the region in international value chains. The business people in the region readily welcome this idea.

Often, the question is, who would benefit from the Customs Union? Discussions about the Customs Union very often indicate that it might be most appropriate for Serbia, as it is - of the countries in the game - the largest exporter. At first glance, judging by the fact that Serbia has a trade surplus with other countries, it should be most appropriate for it. But it's a narrow view. If it were different, it would mean that, for example, Germany benefits from much greater use of the Customs Union in Europe than Greece or Bulgaria. Counting how much a country is suited to such a union can easily end up in sovereignty and nationalist rhetoric.

Conclusions

1. It seems that in the last decade the EU feels visibly tired of joining new countries. It seems that in the last decade the EU feels visibly tired of joining new countries. The regional countries must come to terms with this reality.

2. The lack of progress in reducing corruption and improving security and the rule of law in the Western Balkan countries has seriously affected the development of these countries. Now, for the first time in the recent history the countries of the region are able to recognize the common goals that unites all them. Their main goal is to achieve regional integration and membership in the European and Euro-Atlantic institutions and organizations. Key elements for reaching these goals are intergovernmental cooperation, democratization, enforced good neighbour relations and political and economic reforms.
3. The large displacement from the region, in particular of the vital and professional youth, represents a historic handicap for this part of Europe. In fact there can be no sustainable development without this generation. Therefore the common market and the customs union of the Western Balkans would be a salvation for the entire region, which is risking to be emptied of its populations.
4. Numerous disproportions between member states can be resolved by mutual agreement balancing the interests of member states. In this context, regional integration and EEA membership would be a fast train for all countries in the region for their full EU membership.

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