

Multi-Speed Balkans: Positioning the Balkans in Multi-Speed Europe

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Abstract

This chapter addresses the perspective of the European Union as a Multi-Speed Europe, in which in a Balkan context, member states participate in common policies and choose the ones they are (or are not) willing and able to participate in. The integration experience witnesses a Multi-speed approach to European integration, as may be demonstrated in the cases of the European *Monetary Union* and the *Schengen Agreement*, in which not all the member states participate. The goal of this paper is to apply the Multi-speed model within the Balkan states – in the concrete cases of Macedonia, Greece, Bulgaria, Albania, Croatia, Bosnia & Herzegovina, Kosovo, Serbia and Montenegro, within the *circles* of integration, and in the process of European integration in general, thereby creating a model of Multi-Speed Balkans.

Key words: European integration, Multi-speed Europe, differentiated integration, Balkans, Multi-speed Balkans.

Introduction

This paper addresses the perspective of the European Union as a form of differentiated or asymmetrical integration, through the model of Multi-Speed Europe, with the aim of applying this interpretation to the Balkan context. The chapter is divided into 3 integral parts. The first part is focused on the phenomenon of differentiated integration, while analyzing the asymmetry of achieving different stages, in the process of European integration. The EU can be regarded as a political manifestation of the differentiated integration, covering member-states which participate in certain common policies, while others, have the opportunity of being able to opt out so long as they do not block the tempo of integration process. The mutual relations each Balkan state has established with the European Union are analyzed in the second part of this chapter. Officially, some of the subject states are member-states of the EU, while others are not, but have nevertheless been articulating their desire and determination to gain membership status. In the meantime, the EU looks toward finalizing its *territorial* integration. In that sense, even the non-member Balkan states, are located and are part of the European integration processes, based on the mutual relations they have established with the EU. The EU as a conceptual model of differentiated integration is applied in the context of the *Balkan states*, in the final part of this chapter. Their mutual relations are operationalized, while the states are located at different speeds of integration, within the model of Multi-speed Europe and all of these examples are illustrated graphically.

Thus, the goal of the paper is to provide answers to the following research questions:

1. What is the meaning of differentiated integration?
2. What are the models and policies of differentiated integration?
3. What are the relations of each Balkan state with the EU?
4. What does the term European integration cover?
5. How is the model of a Multi-speed Europe applied in the context of Balkan states?

Differentiated Integration

1. Political, Economic and Differentiated Integration

The etymology of the term integration, in general, reveals its meaning as *a whole, made whole*, identifying with *unification, alliance, incorporation* and *union*. Adding the political prefix, integration in a narrow sense is defined as a *political unification* of two or more political units, in order to establish a *common political (institutional) community*. The term *political integration* may be understood on two levels. Firstly as a *process* of establishing a political community, and secondly as a certain *stage* in the same process. Ernst Haas, an

integration theorist defines political integration as the process whereby: “nations forgot the desire and ability to conduct foreign and key domestic policies independently of each other, seeking instead to make joint decisions or to delegate the decision-making process to new central organs” (Lindberg, 1963). The process involves the activity of delegating the power of decision-making to new central organs, which includes the delegation of national sovereignty to a newly established –supranational body (Ilievski 2015). As a stage, it denotes a particular phase in the process of integration and usually refers to the last one – *Full political integration*, identified as a stage where the units or the member-states, have handed over the major part of their decision-making power, or sovereignty to the supranational entity (Castaldi, 2007), have stopped being direct subjects of international public law (Dosenrode, 2010), and have established a *finalité politique* (Kovacevic, 2013), and/or *political union*, (Michael, 2012). *Economic integration* refers to the *process* of delegating sovereignty and establishing supranational institutions from an *economic perspective* in the *economic sectors* or areas of integration and also represents a *stage* in that process. In line with the theory of *Neofunctionalism*, the process of economic integration, at a certain stage, tends to initiate political integration among the subjects in order of establishing a political union, in the long term (Heinonen, 2006). The phenomenon of initiating political integration, within economic integration is known as a *spill-over effect* (Majone, 2009). Both phenomena of political and economic integration are regarded as a *vertical integration*, one of institutions and policies, different from *horizontal integration* (Schimmelfennig, Leuffen & Rittberger, 2014) which covers the integration of new states in the integration structure (the territorial aspect of integration).

Differentiated integration stands for integration, involving two or more different stages of integration within the process, developed by its state actors and determined by their preferences and capacities (Ilievski, 2015). Practically, from the actor’s standpoint, there are member-states that are *more integrated* within the entity, delegating a greater quantum of their sovereignty to the supranational entity, and there are ones that are less integrated (Neve, 2007). From an integration perspective, there are at least two integration stages (Tekin & Wessels, 2008), within a single integration process, namely the *integration core* and the *integration orbit* (Brandi & Wohlgemuth, 2006). Operationalized, integration refers to variations of the application of European policies, and variations in the level and intensity of participation in the European political system (Majone, 2009). These variations are caused by the integration actors, who choose the policy they are willing to participate in (Jensen & Slapin, 2010). In addition, European integration is identified as a differentiated integration, since it does not represent a *uniform* and *symmetrical process* of integration, but covers the existence of more levels or stages of vertical integration - involving the adoption of different formal and informal arrangements, inside or outside the EU treaty framework (Matarrelli, 2012). The differentiations in integration are assigned by a member-state’s *preferences* and *abilities* in the process.

2. Models and Policies of Differentiated Integration

The European Union has adopted, or inspired, at least 3 types of differentiated integration, determined by the nature of the differentiations. The first one serves as a base for the models of a *Two-Speed Europe* and a *Multi-Speed Europe*, and perceives differentiation as a *temporal* category, and sets the differentiated integration as a method of achieving symmetric integration, while at the same time accommodating the member-state's preferences. The second category is based on *territorial* differentiation, dividing Europe into a more integrated West, and a less integrated East, as represented through the models of a *Core Europe* and a *Europe of Concentric Circles*. The last category introduces the models *Variable geometry* and a *Europe à la carte*, setting the sectors of integration as a basis for the differentiations, while adjusting a state's preferences for integration (Von Ondarza, 2013). It could be introduced as six aspects of differentiation, mainly *permanent vs. temporal*; *territorial vs. functional*; *across nation states vs. multi-level*; *within EU treaties vs. outside EU treaties*; *EU level decision-making vs. regime level*; and *member-states vs. non-member states/areas outside the EU territory* (Holzinger & Schimmelfennig, 2012). Models of differentiated integration find practical political application in the process of European integration (the European Union). It is evident that certain member-states are participating in certain common policies, while others are not. Among other cases, a visible representation of differentiated integration is the cooperation established within the *Schengen-zone* and the *Euro-zone*. The Schengen-zone (Schengen cooperation) tends to remove the border-checks among the member-state of the Union. The cooperation started outside the EU treaties framework, among member-states of the Union and certain states that are not member-states (Switzerland and Norway), based on an inter-state treaty (Piris, 2012). Later, in 1997 with the Amsterdam Treaty, the cooperation was transferred to an institutional European level, through incorporation into the constitutional treaties of the EU and positioned itself on a supranational level or *acquis* (Ilievski, 2015). The specific thing about this cooperation is that it provides an instrument for opting-out, for the member states that do not wish to participate in that particular sector of integration (Great Britain and Ireland), while at the same time establishing *institutionalized differentiation*. The Euro-zone stands for the the cooperation of the member-states of EU in the sector of monetary policy, particularly, establishing a unitary monetary system, followed by an official currency – the Euro, constitutionalized by the Treaty of Maastricht. On the other side, there are member-states that have expressed their unwillingness to participate in the common policy, besides their capacity of fulfilling the conditions of participating (the case with the United Kingdom – no longer a member-state after *Brexit* and the Kingdom of Denmark). The Kingdom of Denmark is opting-out (while initiating differentiated integration), formally based on the Maastricht Treaty (Treaty on European Union, 1992), particularly in the Protocol on Denmark, stipulating that: “the provisions of Article 14 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank shall

not affect the right of the National Bank of Denmark to carry out its existing tasks concerning those parts of the Kingdom of Denmark which are not part of the Community” (Treaty on European Union, 1992).

The integration cases of the Schengen zone and the Eurozone represent the most adequate examples of differentiated integration within the European Union. Despite it, the differentiations are institutionalized with the Lisbon treaty, stipulating the mechanism of *enhanced cooperation*, which institutionally frames a potential integration in each particular sector of integration (Ilievski, 2015).

Table 1: *Integration as a process and as a stage (source: our own depiction)*

Processes of Integration	Regional Integration	Economic Integration	Political Integration
Stages of Integration	Region	Free Trade Agreement	Ad hoc Intergovernmental Political Cooperation
	Regional Complex	Custom Union	Institutionalized Intergovernmental Political Cooperation
	Regional Society	Common Market	Institutionalized Intergovernmental Political Coordination
	Regional Community	Monetary Union	Partial Supranational Integration
	Regional (Federal) State	Fiscal Union	Political (Federal) Union

The EU & Balkan States

In the context of this chapter term *Balkan states*, stands for Greece (Hellenic Republic), Republic of Bulgaria, Republic of Macedonia, Republic of Albania, Republic of Kosovo, Bosnia and Herzegovina, Republic of Serbia, Republic of Croatia and Republic of Montenegro, a narrower interpretation of the Balkans, excluding Republic of Turkey, Republic of Romania and Republic of Slovenia. When it comes to the European integration, the Balkan states are divided mainly into 2 groups, the ones that are member-states of EU, and the ones, non-members (Europa.EU, 2018).

3. Member-states of EU

Three of the above listed countries are member-states of the EU, namely, Greece, Bulgaria and Croatia. (a.) The Hellenic Republic is a member-state, starting with its negotiations back in

1976, and the signing of the Accession Deed in 1979. The Deed was ratified in 1979, and the Accession Treaty entered into force in *part of the Euro-zone* in 1981. Greece has been part of the Eurozone since 2001, and of the *Schengen-zone*, since 2000. (b.) The Republic of Bulgaria is also a member-state of the EU, and joined the Union in 2007. It has committed to adopting the euro once it fulfills the necessary conditions, and currently is in the process of joining the Schengen area. Accordingly, it is not officially a part of the Schengen Cooperation, and the Monetary Union. (c.) The Republic of Croatia joined the Union in 2013, has committed to adopt the Euro once it fulfills the necessary conditions, but is not part of the Monetary Union, nor of the Schengen Cooperation.

4. Non-member States of EU

Seven of the listed Balkan countries are not EU members, but have declared their pro-EU orientation, and have initiated the process for a potential membership status in the Union. In addition, there is also the existence of division among the Balkan non-member states, introducing two groups, namely, *candidate* and *potential candidate countries* for member-state-status within the Union. (d.) The Republic of Macedonia is a candidate country that signed *the Stabilisation and Association Agreement* with EU on 9 April 2001, which entered into force in 2004. In 2005 applied for EU membership, while in December 2005, the Council decided to grant the country a candidate status. In October 2009, the Commission recommended that accession negotiations be opened. (e.) The Republic of Albania is a candidate country that has also signed *the Stabilisation and Association Agreement* with EU, which entered into force in 2009. In June 2014, Albania was awarded candidate status by the EU. (f.) The Republic of Serbia is a candidate country that also has signed *the Stabilisation and Association Agreement* with EU, which entered into force in 2013. In line with the decision of the European Council in June 2013 to open accession negotiations with Serbia, the Council adopted in December 2013 the negotiating framework. (g.) The Republic of Montenegro is a candidate country that has signed *the Stabilisation and Association Agreement* with EU, which entered into force in 2010. The accession negotiations started on 29 June 2012. (h.) Bosnia and Herzegovina is a potential candidate country that has signed *the Stabilisation and Association Agreement* with EU, which entered into force in 2015. (i.) The Republic of Kosovo is a potential candidate country that has signed *the Stabilisation and Association Agreement* with EU, which entered into force in 2016.

All of the Balkan states are located on the *agenda* of future enlargement of the Union, and accordingly, the existing differences are of temporal character, and set as a base for achieving further integration.

Table 2: *Balkan states, their status with (in) the EU, and the stage of integration they are part in (source: our own depiction)*

Balkan State	Status with(in) the EU	Stage of Integration
Greece	Member-state	Monetary Union, Schengen Zone
Bulgaria	Member-state	Common Market
Croatia	Member-state	Common Market
Macedonia	Candidate-state	Stabilization & Association
Albania	Candidate-state	Stabilization & Association
Serbia	Candidate-state	Stabilization & Association
Montenegro	Candidate-state	Stabilization & Association
Bosnia & Herzegovina	Potential Candidate-state	Stabilization & Association
Kosovo	Potential Candidate-state	Stabilization & Association

Positioning the Balkan States in Multi-Speed Europe

5. The Process of European Integration as Multi-speed Europe

Examined conceptually, the process of European integration embraces various processes unfolding within the European Union, but also includes the ones it has established and developed with non-member countries, which tend to achieve membership, while gravitating towards the Union. In addition, integration is observed in two ways, and covers two types of integration, namely *vertical* and *horizontal* integration. The vertical type is identified with the processes of political, and/or economic integration, where the indicator of integration (vertical) is the *stage of economic/political integration* achieved by the member-states. The dynamics of vertical integration tend to establish a political union, operationalized in a certain type of federation. While, on the other hand, the horizontal dimension of integration tends to institutionalize the relations with the neighboring subjects, positions the goal of membership of those countries, and in that way, an attempt to play an active role in the process of vertical integration. The process is finalized, when the whole continent is integrated into the Union (ideally), and those non-member countries, who are determined to become members of the EU. The classification of integration as European tends to cover all the countries in Europe - the member-states of the Union, and the ones that are not part of it, but are articulating the desire and determination to achieve membership status.

When the Union is positioned as a subject of the integration process, it could be stated that it has not finished either its vertical, or its horizontal integration. Certainly, the Union, cannot be defined as a federation (or even federation in the making), nor does it refer to the whole

continent of Europe and all European countries. Despite this, the Union establishes various relations with these non-member states, and accordingly, they are in the zone of the Union's influence or *soft power* (Van Ham, 2010) as a part of the *Eurosphere* (Leonard, 2005; Ilik, 2012), while the Union may be defined as *postmodern liberal empire* (Cooper, 2002).

Association – Pre-stage of integration

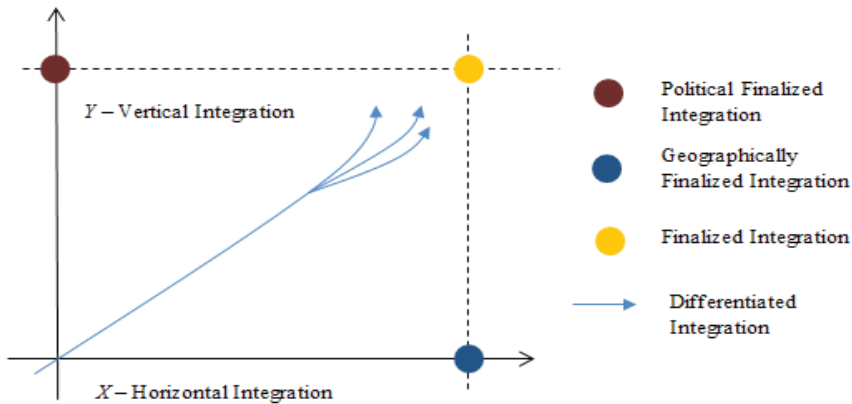


Chart 1: Horizontal, vertical and differentiated integration (Ilievski, 2015)

6. Multi - Speed Balkans

Among the Balkan states that are member-states of the EU, the existence of differentiated integration, is examined, representing Greece as being *more integrated*, and Bulgaria and Croatia, as less so. The differentiations in the case of the Balkan EU countries are of a temporal character, and relate to the particular (non) participation of certain countries in certain policies. The temporality of the differentiations is based on Bulgaria and Croatia's determination to achieve the next stage of the integration process, particularly to join the Schengen zone and the Monetary Union. In that case, the model of a *Multi-speed Europe* is applicable among these countries, represented as an *integration core*, consisting of Greece, and the *integration orbit*, consisting of Croatia and Bulgaria.

Among the Balkan states that are non-member states, can also be located the existence of differentiations within their initial integration into the EU. The differentiations in the relations each country has established with the Union are based on the status they have gained with it, and serve as a temporal mechanism for achieving membership status. The candidate-states tend to form an integration orbit outside the EU, but within the wider context of European integration.

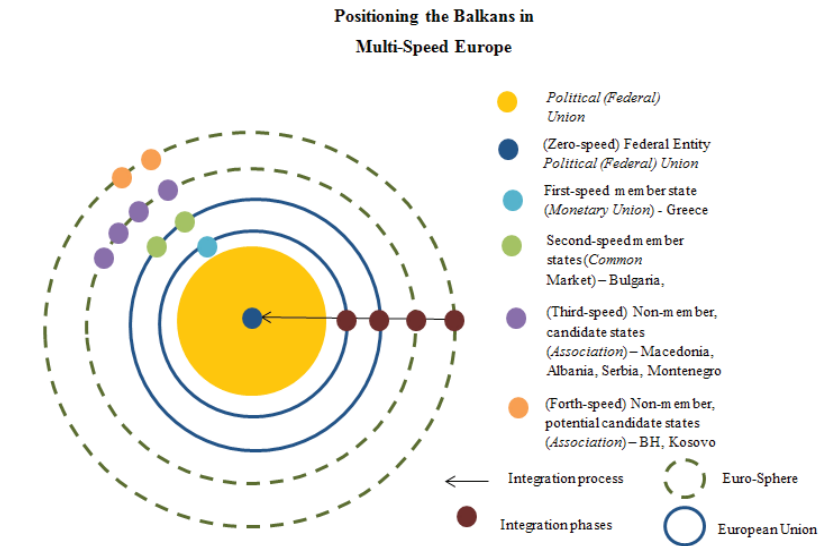


Chart 2: Multi – Speed Balkans: Positioning the Balkan states within Multi-Speed Europe model (source: Our own depiction)

If potentially, the goal of the Union is identified with establishing Political union, the zero-speed, or the integration-core, potentially involves member-states (federal entities) participating in all the common policies, which have delegated a crucial part of their sovereignty to the federal core. There are no member states that have achieved this particular stage of integration, neither Balkan, nor European ones. In the case of the Balkans, the Multi-speed Europe, is projected as 4-speed, and introduces 4 levels of integration. The *first speed* is represented by Greece, as a member-state participating in all the common EU policies. Croatia and Bulgaria create the *second speed*, as part of the Union, but they are still not part of the Schengen and Euro zone. The third and the forth speeds are reserved for non-member Balkan states, which have developed relations with the EU. Macedonia, Albania, Serbia and Montenegro, particularly as candidate-states, or future member-states, form the third speed of Multi-speed Europe, as applied to the Balkan case. The fourth speed is made up of potential candidate-states, such as Kosovo and Bosnia & Herzegovina. The third and fourth speed, are not officially part of the Union, but definitely, are part of the European integration process, or of the Eurosphere, in particular.

V. Conclusion

European integration stands for a process which involves vertical and horizontal integration, framed in the European context. Vertical integration is identified with the processes of political and economic integration, covering the institutional part of the integration process, and the process of developing a common approach, building common institutions, and making common decisions. On the other hand, horizontal integration examines the process of integration in geographical terms. In the sense of Europe, it corresponds with the natural borders of the continent, particularly, in the West - the Atlantic Ocean, in the North - the Arctic Ocean, in the East - the Ural mountains, and in the South - the Mediterranean sea.

Moving onto the process of European integration, the member-states are confronted with challenges referring to their will and their ability to delegate part of their sovereignty on the one hand, and on the other hand, the Union, represented through its institutions and member-state's unanimity, is aware of these difficulties. As a solution to the difficulties and challenges, the phenomenon of differentiated integration arises, allowing and initiating the creation of several stages of integration, determined by the member-state's ability and desirability. The differences due the integration processes could be of a temporal character, and are established in order of fulfilling European integration. In that way, the evolving of a Multi-speed Europe is seen as a compromise between the tendency of integration within the Union, and national preferences and abilities.

The model of a Multi-speed Europe could be applied restrictively in the Balkans, introducing four integration speeds, or integration orbits. The first orbit consists of Greece, as the most EU-integrated country in the Balkans. The second one is that of Croatia and Bulgaria, as member-states of the EU, but not part of all common EU policies. The third speed introduces Macedonia, Albania, Serbia and Montenegro, as EU candidate-states. The fourth speed consists of Kosovo and Bosnia & Herzegovina, which are potential candidate-states. Although not members of EU, the countries being part of the third and the fourth integration speed are located within the Union sphere of influence, and thus, they are visible units in the horizontal aspect of the European integration.

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