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## EU Enlargement and the Development of the Western Balkans

*Ivana Vuchkova*

### Abstract

The major challenges of Western Balkan countries are mostly evident through their long and bumpy road towards economic, social and human development. Recent indicators show that many economic and social aspects in these countries are under the threat of backsliding instead of the providing evidence of progress (World Bank, 2015). The political discourse of two and a half decades without proper dialogue between progressive stakeholders and decision-makers has resulted in a deficiency of clear development strategies. In the hesitant sense of where to go further other than fulfilling the EU requirements, these countries seem to be abandoning the need to develop for the well-being of people. The consequences are already visible, and urgent actions are needed. Consequently, this research tends to examine where the Western Balkan countries stand in development beyond the delayed and painstaking EU integration process. By following a qualitative research method based on questionnaires, the aim of this study is to see current achievements in development and identify how progress can be reaffirmed in order to assure economic, social and human development.

**Keywords:** Western Balkans, Development, EU Enlargement, Political Dialogue, Qualitative Study.

## Introduction

The continuous process of expanding the European Union has introduced a vast array of promising expectations for the development of the Western Balkans. The initial announcement of embracing these countries into the European family in the near future was positively received by the entire region. Though it required a bit of patience for those who were faced with difficult periods and still recovering from war, other countries such as Macedonia immediately took a decisive position in implementing deep and structural reforms in terms of following the EU agenda. Soon afterwards, the example was followed by the rest of the region (Slavica & Andreja, 2009). The people of the Western Balkans were celebrating the EU and enthusiastically anticipating better times to come.

The overwhelming promises of political leaders at that time that EU integration would bring prosperity in every aspect of life, concealed the existing problems and concerns that would postpone these promises to a later period. The economy which had suffered a lot during the transition period was highlighted by escalating unemployment rates (IMF, 2015). Corruption and bureaucratization were still found to be the main characteristics of the system.

However, existing problems and unresolved issues were not exempted from the regular reports prepared by the European Commission on the progress shown. At first, these reports served as guidelines for initiating and implementing reform. Later, as doubts about EU enlargement began to arise, reports on the progress shown were going largely unnoticed in governmental programs (Florian & Marko, 2016). Heads of state in the Western Balkans deluded the broader public from the importance of EU integration processes using the EU internal crisis as the main argument. As a result, nationalist movements began to flourish and the EU agenda became yet another nuisance for government officials.

Comprised of the current EU candidate countries Albania, Macedonia, Serbia and Montenegro, as well as the potential candidate countries of Bosnia and Herzegovina and Kosovo, the adequate development of this region is of particular importance for the Union and its future enlargement scheme. In the next sections the current state of the Western Balkans in the EU integration process will be discussed by examining the progress of Albania, Macedonia and Serbia. It is important to see where these countries stand in the process according to the latest reports, so that impact on development can be better understood. Indicators on economic, social and human development will also be added to the discussion in order to demonstrate the

tendencies of lagging behind the rest of Europe. After this, our research findings will be presented, followed by a conclusion and recommendations based on these findings.

### **EU Integration and the Western Balkans: Where Are We Now?**

Looking for the right answer about where the Western Balkan countries stand in the process of EU integration, it would not be too far from the truth to state that whilst they are so close to the EU, they are nevertheless far from being part of it. Countries of the Western Balkans are lagging behind significantly in making real progress with respect to EU integration processes (BIEPAG, 2014). Being geographically close is not enough to lavish the real connection of this region with the EU over the past years. On the contrary, these countries seem to be in a prolonged and painstaking process of integrating with the European family.

Albania which received official candidacy status three years ago is not expected to open the negotiation processes in the near future. The reason is evident and alludes to the fair progress the country had made in implementing given mandatory reforms. Besides adopting constitutional amendments for deep and structural reforms in the judicial system and public administration, progress on the ground has been moderately achieved; as stated in the last Report by the European Commission, in which the administration of justice continued to be slow and inefficient. The fight against corruption and organized crime is still in a preparatory phase. Human rights protection is compatible with EU standards, yet only on paper. Albania has to enforce human rights protection mechanisms according to the ratified conventions and enable conditions for human freedoms to be met in the everyday lives of people. The economic criterion is one of the basic functions for meeting the above, and unemployment has to be tackled as a main concern of the business-relevant regulations.

As for the candidacy status of Serbia which dates from March 2012, the initial reforms and prompt adjustments to the EU legislative were evaluated positively by the Commission, so that a formal start of Serbia's accession negotiations took place in January 2014. Though the successful opening process augured continuous progress in every sphere, the 2016 Report raised many concerns regarding more recent developments, including corruption as a serious problem prevalent in many areas. Human rights protection arose as another concern that requires the consistent implementation of the adopted legal and institutional framework across the country. The economy lacks investment activities. Consequent high levels of youth unemployment once again demonstrate that education programs must be adjusted to societal needs. On a regional level, the country has participated in undertaking

constructive initiatives, but the limited progress requires continuous efforts in order to align its foreign policy with EU standards.

Macedonia, which represents a unique case when it comes to EU enlargement in the Western Balkans, is found in a disparate situation if the evaluations and remarks from the last report are considered. The continuous show down in reforming state institutions and the judiciary reflects a lack of political will in addressing the already identified urgent reform priorities. Instead, political interference, corruption and organized crime remain as the most prevalent features of the country. This has portrayed Macedonia as a captured state in the last report by the Commission. The long-lasting political crisis has additionally ground down the principles of democracy. Economic developments do not differ from the political discourse. The country lacks investments that will divert the economy towards high value-added products. Measures have to be devised in the current system of delivering public services as well.

### **The Development Lag of the Western Balkans**

The Western Balkan region represents a perfect example of why geographical location does not mean by definition an advantageous position when it comes to development. Though geography is considered to be an important determinant of comparative development, here it is not the case. Adjoining the EU was not enough to endorse countries of the Western Balkans to stand in line with the European educational and health systems, or economic activities. While it appears easy to identify this region as part of the EU in geographical framework, it is very difficult when it comes to a comparison of achievements in development.

As a result, it is very important to discuss the basic indicators of development as real income, and health and educational attainments in the respective countries. In order to provide a more comprehensive picture on how development has been experienced in different timeframes, the Human Development Index (HDI) will be discussed as well as a holistic measure of standards of living levels and capabilities.

It is a generally accepted practice to look at real income ratios when discussing growth and development. According to the World Bank, the standard of living and the overall economic activity of a country are measured by the Gross National Income (GNI) per capita. GNI represents the sum of value added by all resident producers plus any product taxes (minus subsidies) not included in the valuation of output plus net receipts of primary income (such as compensation of employees and property income) from abroad (Todaro & Smith, 2011). As a more accurate measure and

something more widely used there is GNI per capita PPP, which adjusts the GNI per capita indicator rates for the Purchasing Power Parity rates.

Figure 1 shows the trend of GNI (PPP) per capita of Albania, Macedonia and Serbia in the period between 1991 and 2015. To provide a better understanding and comparison of the progress in terms of GNI (PPP) per capita increase, relevant cumulative values for selected regions such as Europe and Central Asia, the European Union and the aggregate upper-middle income countries are added to the graph. The differences indicate towards a wider imbalance in values by the end of the observed period. Although Albania, Macedonia and Serbia have significantly improved their economic well-being according to the corresponding indicator, they are more backwards today than 25 years ago if compared to the progress achieved by the EU, or upper-middle economies in general.

Another important indicator when evaluating the development of a country is the mortality rate of under-fives. According to the World Bank, this rate shows the probability per 1,000 that a newborn baby will die before reaching the age of five, if subject to age-specific mortality rates of the specified year. As shown in Figure 2, during the period of 1991-2015, all of the observed countries have significantly reduced the child mortality rate. In the case of Albania, Macedonia and Serbia, it is important to notice that they have a slower tendency in decreasing the rate compared to upper-middle countries taken together. The observed countries, especially Albania, have achieved positive development in this regard, but the number of deaths under the age of five per 1,000 births is still higher than the EU average.

Since educational attainment as one of the basic indicators of development will not be elaborated due to the lack of serial data for the respective period, the HDI ratio as a tool for measuring and ranking countries in accordance with their levels of social and economic development will complete this section. Looking at the HDI values of the indicated countries, a consistent improvement can be perceived (See Figure 3). However, if compared to the rest of Europe, these countries are still lagging behind in achieving satisfactory development. If we take into consideration that Europe holds the first twenty places in the top 30 HDI list, Serbia, Albania and Macedonia are ranked far behind ranked at 66<sup>th</sup>, 75<sup>th</sup> and 82<sup>nd</sup> respectively (UNDP, 2016).

### **EU Development Criteria – Lately as a Nuisance for WB Leaders**

Why do some countries make rapid progress towards development, while others remain poor and are lagging behind on the HDI rankings? Considering the elaborated development indicators in the previous section, this question arises from the existing

differences perceived in the EU and the Western Balkans. Such a comparison is particularly interesting as these countries share the same continent – they are all European countries.

When the countries of Western Europe decided to create the EU as a joint project that will guarantee their peace and stability and enhance common economic progress, they also enabled and ensured their further development. This is confirmed by the growth and development that EU countries achieved before and after creating the union.

On the other hand, the Western Balkans witnessed the break-up of a federation that had held them all together. The end of Yugoslavia meant the beginning of war for most of these countries. The conflictual discourse did not bring any benefit to anyone. Countries were left in a devastated position – both economically and in terms of co-operating with one another. Coming next was a long and difficult transition period that laid off thousands of workers from the previous socially-owned enterprises, pushing the life of many families to the edge of poverty. At the same time, Albania was slowly reviving from economic collapse and social unrest succeeding the communist regime. Being in an invidious situation, without a clear vision of where to head further, the Western Balkans were encouraged again when the EU launched the Stabilization and Association Process and the Stability Pact as a framework that will gradually integrate these countries in future (European Parliament, 1999).

As a grand welcome to EU values and standards, the celebration of the EU candidacy in each country of the Western Balkans was demonstrated on the streets, and reflected immediately into initiating structural reforms and the replacement of the old semi-functional state system. To ensure successful performance of the process of becoming an official EU member state, countries have had to fulfill the EU criteria and harmonize with EU legislation. Countries receive respective financial assistance to carry out the necessary reforms. The European Commission regularly provides a report on the progress shown.

While at first glance the reform processes looked smooth and straightforward to the EU criteria, the positive expectations and anticipated progress of the region in general were discontinued soon by the country's unreformed elites. Realizing that their personal interests differ largely than the broad public needs which is in line with the EU agenda, they had to step aside and change the reputational appraisal of the EU. The process was additionally distorted by arising doubts regarding the future of EU's enlargement policies and the assorted problems inside the union. After the last two enlargements, the EU also showed a lack of political will to accept new member states.

Such proceedings alibied elites of the Western Balkans in their strategies of lacking attentiveness and interest to perform in conformity with the EU agenda.

While every next report of the European Commission was going less noticed by the governments of Western Balkan countries, recommendations and criteria were seen more as a nuisance rather than a will of these countries to join the union in the near future. Reforms were paper-based, but no real progress regarding the rule of law, judiciary or public administration is seen. The EU incentive-based approach of implementing the recommendations given and the urgent reforms indicated in annual reports, resulted in a ticking-the-box administrative exercise.

### **Research Findings Presentation**

Following a qualitative research approach based on questionnaires and a sample size of 150 respondents from Macedonia, Serbia and Albania, this paper will present the opinions, experiences and suggestions of different groups of respondents regarding the development of these countries, beside the previously elaborated reportative evidentials. The questionnaire which was carried out in an online format in the first half of March 2017, included academics and students, public officials, representatives of civil society organizations and other individuals between the age of 18 and 35. The results acquired will indicate the main determinants of development backsliding tendencies in these countries; evaluate the current situation on a grassroots level, and recommend further actions.

In this section we will present the main findings resulting from the conducted research. The questions focused on the main themes presented in the paper, with the intention of inquiring into development experience at a grassroots level. The first section of the questionnaire consists of statements that may represent respondents' perceptions about social, economic and human development of their respective countries. According to the answers given, there is a major disagreement that governments of these countries initiate and support development. Moreover, provided responses indicate towards a lack of equal opportunities and fair treatment by state institutions for start-up businesses. Guarantees of human rights and social protection are poorly rated. There is also a low awareness of state institutions as to the importance of cooperation with CSOs for achieving social, economic and human development goals. In general, over 80% of those surveyed do not agree that the EU-integration related activities undertaken by their countries have achieved the desired or expected development results. Another interesting thing to note is the existing difference in perceiving governmental commitment to enhance development in order

to provide a better life perspective for every citizen, or to accomplish EU requirements.

The Majority of the respondents evaluated economic and social development as poor, since their country was granted an official EU candidacy status. Social development is rated as poor (See Figure 4). As most pertaining to the development of these countries, respondents selected the indicators of economic conditions, opportunities for youth, and education opportunities in the country. Considering that youth unemployment is a serious problem in these countries and 70 per cent of respondents of the questionnaire are below the age of 29, it is evident that the listed indicators were valued the most. According to the World Bank, youth unemployment is measured at the level of 29.2 per cent in Albania, 49.5 per cent in Serbia and 50.8 per cent in Macedonia.

However, youth struggles to find a job is not considered in the national spending programs of the indicated countries. Even 76.7 per cent of the respondents declared that government spending programs in their country are not in accordance with the development priorities and needs of citizens. In continuation, 86.7 agreed that our country needs additional actions outside the agendas created and followed by state institutions in order to enhance development. Some of them even pointed towards concrete actions such as the inclusion of the civil society sector in policy and decision-making processes. Respondents have also indicated the need of relevant and up-to-date data that will define the needs of citizens and enable undertaking proper measures.

Regarding the question on existing discrepancies between the “paper” and genuine implemented reforms, more than two thirds of the responses agree that they exist. Respondents from Macedonia indicated that their government and correspondent ministries initiate reforms and adopt strategic papers which are further elaborated into well-articulated action plans. Yet, their practical realization is often deficient. Similarly, Albania was described as a Janus-faced applicant state. On the one hand legislators accept EU recommendations and try to implement indicated policy reforms. On the other side, policy implementation is deficient because of the political polarization of society. In general, the effective implementation of EU conditionality depends on the will of the domestic political elite that has already shaped the democratic norms according to its own interests. In Serbia, as stated, significant reforms may be implemented on paper by now. Most of the respondents are hesitant in evaluating their progress since after all changes are neither enough noticeable, nor visible in practice.



However, predominant opinion is that the EU integration of the Western Balkans is more than a necessity in terms of development, but also a process that affirms the belonging of all European countries in one European society.

### **Conclusion: Ideal Time for a Change in the EU Perspective**

In a period when positive changes of the political discourse are likely to happen and are initiated by civic movements and public efforts, it is time for the EU to step further in their attempt to integrate the Western Balkans. A more affirmative approach is needed to embrace these countries and ensure healthy relationships in their regional cooperation and with regard to EU integration, rather than the current incentives-based strategy.

While the governments of these small Balkan societies have left real interest to follow the EU agenda, civil society is even stronger in their commitments to bring their countries into the European family. Considering their consistent fight with the polarized political proceedings, a new paradigm for enlargement is paramount. People of these countries have firmly declared the EU integration of the Western Balkans as more than a necessity in terms of development, but also as a process that affirms the belonging of all European countries in one European society.

Therefore, a change of narrative that will offer a change of perspective is also needed, which is not about the enlargement 'of a club' but rather about one European society whose stakeholders are active citizens throughout the continent. Changing the existing narrative can allow Europe to harness the progressive energy present in the Western Balkans today. A true establishment of common community will bring the Western Balkans closer to the EU development standards. Connecting the Western Balkans beyond the geographical habitation is the only way to bring the EU into these societies.

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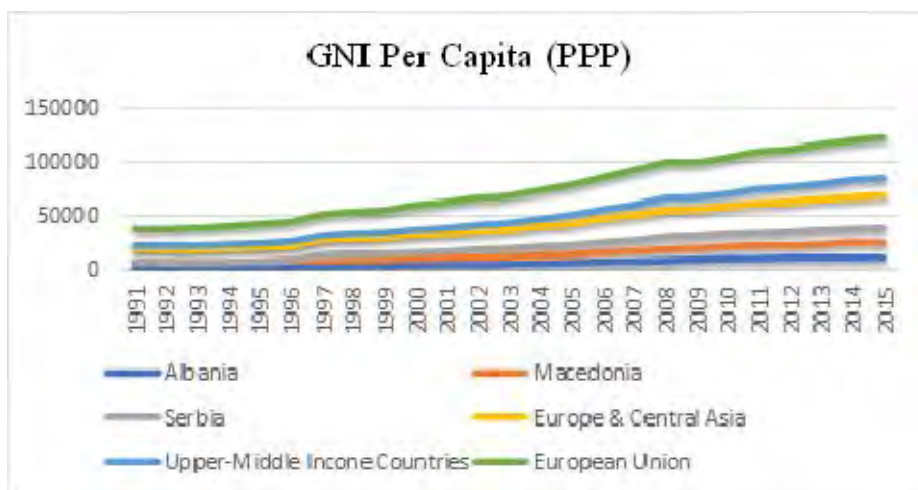
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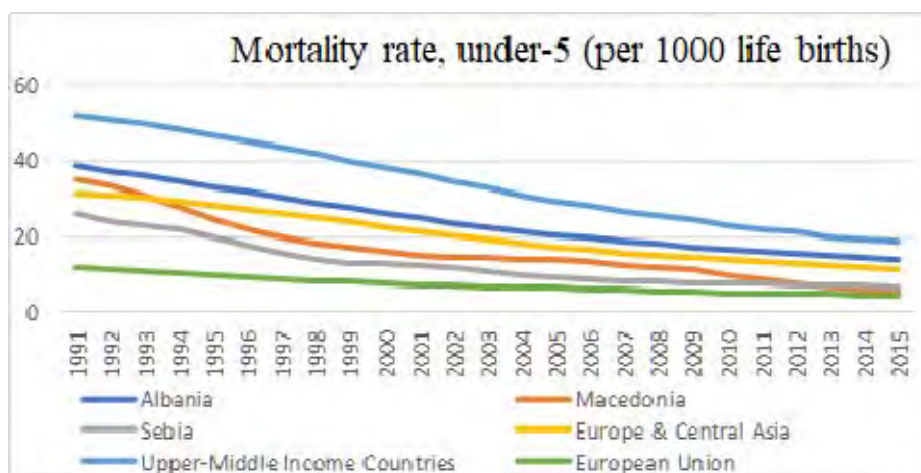
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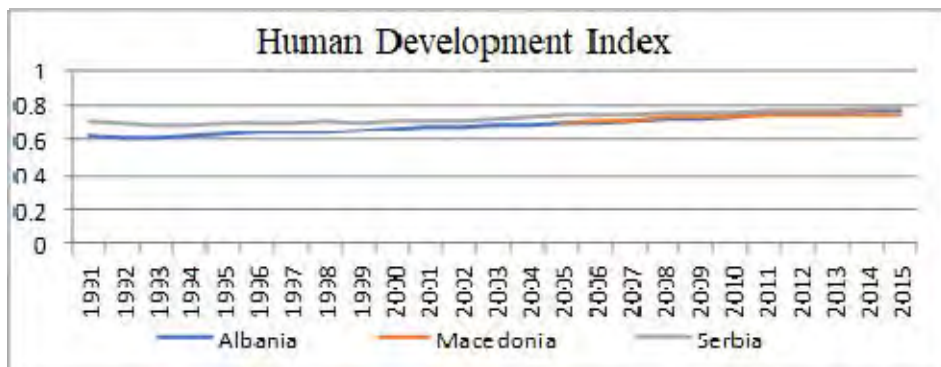
**Figures**



**Figure 1:** GNI per Capita (PPP) in Selected Countries (1991-2015, U.S. \$). Source: The World Bank.



**Figure 2:** Mortality Rate, under-5 (per 1000 life births) in Selected Countries (1991-2015). Source: The World Bank.



**Figure 3:** Human Development Index in Albania, Macedonia and Serbia (1991-2015). Source: The World Bank.



**Figure 4:** Questionnaire Results on Rating Development since the EU Candidacy of the Country of the Respondent.

### ANNEX (Questionnaire Sample)

\*Your country of origin \_\_\_\_\_

PART ONE: Listed below is a series of statements that may represent your perception about *your country's social, economic and human development*. Please read each phrase carefully and circle the response you consider as the most appropriate.

	Strongly Disagree	Moderately Disagree	Neutral	Agree	Strongly Agree
The government of my country works hard to enhance social, economic and human development in order to provide a better life perspective for every citizen.	1	2	3	4	5
The government of my country works hard to achieve social, economic and human development requirements in accordance with EU integration agenda.	1	2	3	4	5
The state institutions in my country provide equal and fair opportunities for start-up businesses in order to provide sustainable economic development and improve the standards of living.	1	2	3	4	5
The state institutions in my country guarantee the protection of social rights of its citizens including the elimination of poverty and ensuring a satisfactory livelihood for all.	1	2	3	4	5
The state institutions in my country guarantee the realization of human rights in a manner essentially free of abuse and corruption, and with due regard for the rule of law.	1	2	3	4	5
The state institutions in my country are aware of the importance of cooperation with CSOs for achieving social, economic and human development goals.	1	2	3	4	5
In general, the EU-integration related activities undertaken by my country achieve the desired/expected development results.	1	2	3	4	5

PART TWO: The following questions require evaluation and recommendations on *your country's social, economic and human development* based on your personal experience. Please circle the response you consider as most appropriate and give a brief explanation where requested.

How would you rate the development of your country since the EU candidacy status in terms of:

	Poor	Fair	Good	Very Good	Excellent
Economic Development					
Human Development					
Social Development					

Choose three of the most important development indicators pertaining to your country:

- |  |  |
|--|--|
| <input type="checkbox"/> Educational opportunities | <input type="checkbox"/> Poverty eradication     |
| <input type="checkbox"/> Political circumstances   | <input type="checkbox"/> Opportunities for youth |
| <input type="checkbox"/> Public service            | <input type="checkbox"/> Career opportunities    |
| <input type="checkbox"/> Economic conditions       | <input type="checkbox"/> Leisure activities      |
| <input type="checkbox"/> Social standards          | <input type="checkbox"/> Other: _____            |

Are the government spending programmes in your country in accordance to the development priorities and needs of its citizens?

- Yes
- No

Please explain your answer:

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Do you consider that your country needs additional actions outside the agendas created and followed by state institutions in order to enhance development?

Yes

No

Please explain your answer:

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Please explain your view on the reform processes of your country regarding the EU integration, both on “paper” and in practice/everyday life. How would you explain the discrepancies (if existing)?

Do you think that the EU integration of your country is a necessity in terms of development, while also a process that affirms the belonging of all European countries in one European society?

Yes

No

Other (please specify):

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