European Stability Initiative
BERLIN - BRUSSELS - ISTANBUL

The Future of Enlargement

Presentation to a group of Serbian NGOs
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- Explain ESI

What is the future of enlargement?

- Serbia has started negotiations. Montenegro is also negotiating.

  But:

- It is clear that both countries will be negotiating for many years. It took Croatia 8 years from the opening of negotiations (Oct. 2005) until accession (July 2013). In the current climate of enlargement scepticism and economic woes it may take the current accession countries even longer.

- The prospect of several other candidate countries is bleak:

  Macedonia has been blocked from starting negotiations by a bilateral veto by Greece for 5 years already, over the name issue, and Greece is not likely to lift the veto any time soon.

  Turkey is blocked by the Council (8), France (4) and Cyprus (6), and its own commitment to the accession process is in doubt.

  Kosovo will not be able to make much progress since it has not been recognised by 5 EU MS.

  Bosnia is politically a mess and has not even applied.

This leaves **Albania**, which, however, is still in the early stages: the issue is whether it will get candidate status in June.

- So, we have a **division among the candidate countries**: 2-3 (Montenegro, Serbia, possibly Albania) that are moving ahead, 3 that are blocked externally (Macedonia, Turkey, Kosovo), and one that is stuck for internal reasons (Bosnia).

- This division also exists in economic terms. Generally speaking, the closer a country to the EU, the better its economy (refer to tables in the hand-out).

New Commission term

- **In October, a new Commissioner for Enlargement** will take office. What is he or she looking at during the upcoming 5-year mandate, until 2019? No country will join the EU. Serbia and MNE will open some chapters and close a few provisionally. Albania might start negotiations. Bosnia might get candidate status. And, most likely - this will be it.

- At the same time, all these countries are "difficult" – they are poor, all of them went through armed conflicts, many are new states, the statehood of some of them is even contested. All of them carry the legacy of Communism. There is a huge need for reform in all of them.

- In addition, there is growing scepticism about enlargement, both at the level of EU governments and among EU citizens.

- Also: some member states have lost confidence in the Commission and accuse it to push enlargement for the sake of it. National parliaments have started to play an important role – the Bundestag, the Dutch parliament - and create additional pressure.

- Among the candidate countries, enlargement has also lost attraction. Macedonia is disillusioned. Bosnia is not interested. Turkey feels rejected and its commitment is uncertain. Kosovo may soon become disillusioned.

The current enlargement strategy

- In view of all this, there is a need to rethink the current enlargement strategy.

- This strategy is an obstacle course *before* a country even becomes a candidate. This course is plastered with conditions. Conditions to get a feasibility study to conclude an SAA with the EU. Conditions to negotiate the SAA. Conditions to conclude it. Conditions before a country is allowed to apply for EU membership. Conditions to be declared an official candidate. Etc. Each step is tied to conditions, which sometimes make little sense (e.g. Sejdic/Finci in Bosnia). This process is not interesting for governments because it is too drawn out and too technical. (It has little attraction for Bosnian leaders, and it had little attraction for Albanian leaders.)

- Things get a bit better after a country has finally applied because then the Commission send a **questionnaire** to find out about the preparedness of the country in question. This has always acted as a motivation for the governments and administrations. They finally realise what the EU is about, and they feel motivated to tackle the challenge to implement the acquis.

- But the real thing are the **negotiations**. The **screening** reveals what needs to be done under each of the 35 policy chapters. And then the implementation of the necessary reforms and the acquis, and the formal negotiations follow. **The transformation starts**.

- But, remember, only 3 countries are at this stage: Serbia and Montenegro (Turkey too, but at the moment the process is pretty much stuck). The remaining 4 (Albania, Bosnia, Macedonia, Kosovo) are not there yet, and some might not get there for years and years to come. And as a result they are losing, or have already lost interest in the EU.

- In fact, EU governments should want all the countries to be at the negotiating stage because this is when the real reforms and a real transformation happens. It is counter-productive that they make it so difficult for countries to reach this stage – just take this in: there is a bunch of countries that want to introduce EU standards and EU legislation, and the EU does not let them.

- But the negotiations process could and should also be improved.

- Progress is measured by opening chapters, and annually in the European Commission's progress reports.

- But the opening of chapters is not does not necessarily mean that there has been progress in the policy field. For a chapter to be opened, all 28 EU MS have to agree and sometimes these decisions are political. Look at the following table, which we have made based on the 2013 progress report for Turkey:

Does opening a chapter signal progress? NO

Turkey's alignment with the acquis by chapter in 2013

	**Chapters**	**Advanced**	**Moderate**	**Early**
Opened	14	6	5	3
Not yet opened	17	6	5	6

- The other yardstick are the annual progress reports, which the Commission currently produces for all the candidate countries. For most, they are done in the same way – based

on the Copenhagen criteria and the chapters of the acquis. Only the reports for Bosnia and Kosovo are different because they have not even begun alignment in some chapters.

- The progress reports are technical and virtually impenetrable to outsiders. They have 4 parts: 1.) an introduction, setting out state of relations, 2.) a section on the fulfilment of the political Copenhagen criteria, 3.) a section on the economic criteria, and 4.) a long section discussing progress under each of the 33 chapters assessed. And an annex. To understand the progress reports, one has to be an expert in the policy field discussed – the relevant EU acquis – and the situation in each area in the country concerned. Very few people are such versatile experts.

- The progress reports are a wasted chance. Apart from the conclusions, they are often not read, even by people dealing with enlargement. To the publics in the EU and the candidate countries, they are inaccessible. They fail to provide concrete and understandable information to EU citizens who are interested to see where a new accession country such as Serbia stands in relation to the EU, its standards and its legislation. They fail to draw in NGOs that could be made allies in pushing governments to implement reforms, e.g. in the environmental field.

- (Example chapter 1, freedom of goods, for Serbia 2013.)

Better progress reports

- The enlargement process needs to be re-energised, and the progress reports could be turned into a powerful instrument that does this. They could:

  - Measure progress in a way that is easy to grasp
  - Show clearly where a country stands in relation to the different criteria
  - Highlight what needs to be done next
  - Motivate civil servants
  - Educate the interested publics
  - Be credible for member states
  - Empower the European Commission

How?

What is needed is:

- Clear criteria and indictors. What are the core requirements under each chapter? They must be spelled out – publicly accessible. The visa roadmaps could serve as an example.

- Clear rules of assessment. What are the indicators of implementation? The adoption of a law, establishment of the envisaged agency, budgetary and other provisions, certain results…

- Clear language of assessment. Requirements are met – not yet met – early stages. Or: Aligment with the acquis is advanced – moderate – early.

- Comparability among the countries. This can foster healthy competition. Think of the PISA assessments, which regularly trigger reform drives in the assessed countries.

- Based on the information buried in the current progress reports, we have made the following table:

State of Alignment 2013

	Number Chapters	Advanced Progress	Moderate Progress	Early stage	*Chapter 23*	**Total Score**
Turkey	33	12	11	9	1	47
Macedonia	33	9	18	5	1	45
Serbia	33	3	25	4	1	34
Montenegro	33	4	18	10	1	30
Albania	33	0	17	15	1	17

Maximum score possible: 96

For the score this conversion used is: Advanced = 3 points
Moderate = 1 point
Early = 0 points

- Such comparisons between countries should also be possible for each chapter. How is Serbia doing on food safety compared with Macedonia?

- The results could be similar to the grade reports and score cards that we produced during the visa liberalisation process (refer to hand-out).

- In fact, the progress (or the lack of it) in the different countries should be presented in a way that produces headlines in the candidate countries and at least p. 3 stories in EU papers. Disappointing results should trigger soul-searching in the candidate countries and increased efforts.

- But there would be other positive implications. **Investors** might look with interest at chapters relevant for them… Food safety, public procurement, competition policy… **NGOs** might look at the environment and consumer protection issues… An understandable and transparent way to assess progress would also **motivate civil servants** in all the candidate countries. They would clearly know what they need to do and they might feel enticed to do better in a certain field than the neighbouring country.

- Finally, clear criteria, and clear and transparent indicators and assessments could restore the credibility of the Commission. MS would be able to see how and why the Commission arrived at certain conclusions.

This would be important for negotiating countries too - they need a strong Commission that has the trust of the member states and whose assessments are beyond doubt.

The political and economic criteria

- In these two fields there is no acquis. The **political criteria** include stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities; and the **economic criteria**: existence of a functioning market economy and the capacity to cope with competitive pressure and market forces within the Union. But there is hardly any acquis in these fields and there are no universally accepted of indicators of, let's say, respect of human rights or the existence of a functioning market economy.

- In particular the economic sections of the progress reports are often written with little love. Nowhere is it explained what defines a functioning market economy. The economic sections of the progress reports usually list macro-economic data for the past year and do not explain how this data is relevant to the functioning of a market economy, or what the presented data is supposed to tell the reader.

- There is a need to come up with a better approach. As said, there is little acquis, so it is not possible to use criteria based on the acquis. Concerning the economy, there are also conflicting ideas what needs to be done to revive it – if there were a clear-cut way to wealth and prosperity, we would not have an economic crisis in Europe.

- One idea would be to look each year at the same set of indicators and see how they are developing. Is employment rising or falling? Is GDP per capita increasing or decreasing? How is FDI per capita and the FDI stock doing? If the trends are negative, then the causes should be analysed and remedies designed. Besides employment, GDP and FDI per capita, these indicators could include exports per capita, the quality of education as measured under PISA, credit to private business and agricultural productivity.

- These indicators are not subjective, and for each clear methodologies exist. They can also be easily compared. And, if the trends are positive, they reflect the outcome of successful policies.

- The situation with regard to the **political criteria** is more difficult. It is very difficult, if not impossible, to develop indicators for respect of human rights or media freedom, and then monitor trends. However, in this area it might be possible to develop "red lines" that must not be crossed or situations that clearly indicate problems. Not allowing gay parades could be such a red line, and the lack of independent media that at times criticise the government would obviously be a bizarre situation in a democracy.

- To return to the beginning: There is a need for progress reports that are easily and widely understood, which are compelling and authoritative, and which allow for comparisons between countries and years. They must become the definitive answer to the question how close a country is to EU standards. They should trigger debates and make headlines. They should be trusted and be beyond doubts. They should mobilise civil society and reward hard-working civil servants.

- We have already made many presentations and organised brainstormings to develop these ideas further. If you have any ideas, let me know. We do not think that there is enough time to influence the 2014 progress reports, which are already in the making, but 2015 could become the year that sees a new generation of progress reports.