



## **Beyond the deadlock? Perspectives on future EU enlargement**

**E-publication edited Joost Lagendijk and Jan Marinus Wiersma  
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## Note of the Editors

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The Netherlands Institute for International Relations Clingendael hosted a one-day seminar on the future of EU enlargement on the 29th of November 2011. The event was chaired by Joost Lagendijk, Senior Advisor Istanbul Policy Center, and Jan Marinus Wiersma, Senior Visiting Fellow Clingendael. As the title of the conference – *Beyond the deadlock? Perspectives on future EU enlargement* – indicates, the debate concentrated on the differences between the accession rounds of 2004 and 2007 and the one that is now under way. Both the EU and the (potential) candidate countries operate in a different context that is marked by a much stricter conditionality of the EU which has a negative impact on the speed of the enlargement process. The countries in question, with the possible exception of Iceland, are confronted with internal opposition to the EU, sometimes show a lack of reform mindedness and have difficulty coping with political obstacles like the Cyprus issue in the case of Turkey or the Kosovo question.

The agenda of the seminar consisted of three main topics: lessons learned from past accessions, the cases of Turkey and Macedonia, and the future of enlargement. They are being dealt with in this publication from different angles. We thank the speakers that allowed us to use their contributions.

The conference took place at an opportune moment – just before the EU summit that adopted Council conclusions on enlargement taking into account the progress reports published by the European Commission in October 2011. These important documents show that also the Commissioner in charge is keen to apply lessons learned by giving much more priority to the negotiation chapters that deal with fundamental rights, the independence of the judiciary and the fight against crime and corruption. Most of the Commission's recommendations were endorsed by the summit. There were however disappointments for Serbia and Montenegro that were respectively not given the candidate status and a date for the start of negotiations. The Greek veto against Macedonia was not lifted. This outcome seemed to confirm the impression that the enlargement process faces a deadlock as it was not for the official signing of the accession treaty of Croatia. In January 2012 a two thirds majority of Croat voters approved EU membership of their country.

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# The Netherlands and Enlargement

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*Mr. R. de Groot*

The Dutch coalition government programme states: 'Candidate states can join the EU if they fulfill the strict criteria, especially the Copenhagen-criteria (including the absorption and integration capacity of the Union) as set out in enlargement strategy of 2006'. I often heard the cliché that the Dutch were suffering from 'enlargement fatigue' or that we are 'anti enlargement'. I believe -and I am supported by polls from the Eurobarometer- that the Dutch are actually quite pro-enlargement. Because there is nearly no country in the EU - with such an open economy as mine - which has so much to gain from peace and stability all over Europe, from free trade and the extension of the internal market. It is good for business and exports, for trade and energy security. Good for Europe. As a recent study of the Dutch Office for Statistics has shown: the enlargements of 2004 and 2007 lead to a significant increase in trade with new member states. The Netherlands believes enlargement is also about values and about rule of law: about the Stockholm programme (Justice, Security, Freedom) and about border management. And enlargement gives the EU more leverage in an increasingly complex global context (i.e. the power of the BRICS, tackling global problems).

## **Foreign policy or domestic policy?**

The Netherlands believes enlargement is probably the most effective tool of foreign policy that the EU has in its tool kit. The re-unification of Europe -that the enlargement made possible- is one of the defining historic events of our generation. EU-enlargement has been the most powerful instrument in the tool-box to stabilize the European continent. That's the lesson of the transformation in Central Europe after 1989. Enlargement is an impressive tool of 'soft power'. The normative power of the EU: transformation, democratization, promotion of human rights and regional co-operation through the Copenhagen-criteria and the *acquis communautaire*. But enlargement is also about domestic policies. Because once a country joins the EU, it becomes part of us - part and parcel of our societies and our community of values. In the past we have neglected the importance of enlargement. We haven't given it the attention it deserves. The Netherlands today opposes second rate enlargement. I don't want enlargement with a discount but only a triple A process. That's why we also underscore absorption capacity of the Union. It is a difficult concept without a clear cut definition. In our view absorption capacity has 5 components: institutional, economic, budgetary, geopolitical and public opinion.

## **Conditionality**

Enlarging the EU is a delicate process, for which we have set rules. Diverging from these rules, is bad politics. Not only because the EU loses credibility in the eyes of its own citizens (why should they accept rules, if the EU puts them aside? We learned our lessons from the implementation of the stability & growth pact!). But also because going soft on conditionality is not in the interest of the candidate countries and its citizens. I do commend the courageous steps taken by Belgrade but without conditionality Mladic and Hadzic wouldn't be in a prison-cell. Clear conditions help reform agenda's. Conditions are necessary to become a fully adapted member state that is respected by the others right from the start. I don't want new members of which everybody knows that they cannot yet fulfill all the obligations of membership. The argument that membership will stimulate them to catch up is not supported by my government. Specific attention to reform in the field of the rule of law (independence of the judiciary, combating corruption, combating crime, tackling illegal migration) and fundamental rights is needed. Rights for example of the LGBT-community: what happened to Gay Prides in Split (went wrong) and Belgrade (cancelled) is not acceptable. Enlargement countries need to protect the rights of sexual minorities and promote a culture of tolerance. Enlargement policy can be a powerful tool for political, economic and societal transformation. But only if conditions are applied scrupulously and candidates are sufficiently committed. That's what our public opinion expects. Especially in times like these when EU has a big credibility problem. Credibility is what we're after and credible government.

## **Füle 2.0**

I commend the serious progress report of the European Commission presented on October 12th 2011. The Commission came up with a sound and critical analysis of the problems and opportunities in enlargement countries. The Commission is the trusted guardian of the enlargement strategy and it should be. The Netherlands supports a strong and competent Commission in all fields. Especially I like Commissioner Füle's renewed focus on the Rule of Law and on the importance of building a sound track record. Good governance is not about rubber stamping laws but about enforcing them. I Agree with the recommendations to open the key chapters 23 & 24 (justice and home affairs, fundamental freedoms) as soon as possible in the negotiating process - put the difficult stuff on the table right from the start. And allow candidates to get down to work on these difficult elements as soon as possible. We want this to be part of Council conclusions in December. Should progress under chapters 23/24 lag significantly behind progress in the negotiations overall, the Commission could decide to take measures, for example stop the work on negotiations on other chapters - including withholding its recommendations to open and/or close other chapters, until this disequilibrium is resolved. We would like this emergency break to figure clearly in the Council conclusions. Of course the Council ultimately remains in the driving seat concerning Chapter 23 and 24. The enlargement agenda is not static. This means we also have to look at the implications of the economic crisis. The economic Copenhagen criteria are from 1993: we now live in a totally different era with the Euro and EMU. We want to help new members to be as much up to speed as possible once they become a member. Potential candidate states should start to align their economic policies with the recently agreed set of measures and procedures for closer and better economic and budgetary policy coordination within the European Union. We have to draw lessons from the economic crisis. That will make negotiations on Chapter 17 (EMU) and Chapter 9 (financial services and supervision) much easier later on in the process. Through the Instrument for Pre-Accession we should assist candidate-states to align themselves with this new economic governance legislation and procedures. This is not about changing the rules



of the game but about raising the bar. On the contrary, we will help candidate-states to adapt to the continuously changing standards. Finally we need better communication on Enlargement policies. It is a sign of the times that enlargement is as much about domestic policies, as it is about the future new EU-members. Commissioner Füle in our parliament last year gave an excellent performance during a debate on enlargement. We have to refrain from propaganda on enlargement and tell it like it is. Explaining enlargement to the Dutch public is not only the responsibility of the Dutch government but also of the business community, NGO's, Ambassadors and so on. We need a collective effort.



# Lessons learnt from Enlargement - so far

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*Dr. P. Mirel*

The 5th enlargement in general, the accession of Bulgaria and Romania in particular, as well as the recent conclusion of the accession negotiations with Croatia have all provided very useful lessons which the European commission has integrated into its enlargement strategy to a large extent. They relate to EU conditionality and reforms, to the accession negotiations approach and methodology, to the EU accession preparation support and to the public opinion.

## **1. EU conditionality and reforms**

In the face of criticisms in certain member States after the 5th enlargement, the Council has adopted in 2006 'the renewed consensus on enlargement'. It is based on the respect of the EU commitments already made (to the Western Balkans and Turkey; without any new commitment), a strict and fair conditionality along the accession criteria and the Stabilisation and Association process conditions, and a good communication with the citizens to overcome misunderstandings or even fears about enlargement. Hence the expression often used of 'the three C consensus';

In the context of a lower public opinion support, the enlargement process must be credible indeed, in both the EU and the enlargement countries. In the latter, its credibility is aimed at maintaining the reform momentum (when a country delivers, the EU delivers; as shown by the visa liberalisation process). In the EU member States it must win public opinion;

The conditionality is therefore at the core of the consensus. However, reforms are slow, in particular in the Western Balkans due to specific constraints, in the rule of law area in the first place. Hence the proposed Commission's new approach on judiciary and human rights (chapter 23) and on corruption and organised crime (chapter 24) to deal with these two chapters early in the accession negotiation process;

Moreover, as the EU has a limited leverage after accession, everything must be done by accession: the success of the reform process is not just through the adoption of the EU *acquis* and of the Council of Europe conventions and jurisprudence, but through their implementation and enforcement as well. Public administration reform is therefore a key criterion, as stipulated already by the 1995 Council conclusions in Madrid, and often mentioned as ‘the Madrid criterion’. This is obviously a matter of credibility for the countries as future member States.

## **2. Accession negotiations methodology**

The main lesson from the 5th enlargement was the need to set up ‘opening benchmarks’ in the negotiating chapters as necessary and ‘closing benchmarks’ to better guide the reform process, facilitate monitoring and ensure that EU *acquis* obligations are fulfilled by accession. In addition, a lesson from Croatia's accession is that chapters 23 and 24 should be dealt with in the first place (see point 1 above);

Opening and closing benchmarks are not additional conditions. They translate the accession criteria into concrete and planned conditions. They give the guarantee that the negotiating country will deliver on its future obligations, thus avoiding the situation of promises not fulfilled by accession. This new methodology is therefore reinforcing the credibility of the negotiation process for both sides;

In the light of certain post accession situations, economic criteria get more important and should be applied strictly as well. This is important to ensure that structural reforms are undertaken by accession, thus reducing the risk of post accession economic and budgetary difficulties in the new member States;

Another lesson is that throughout the accession (negotiation) process, a close monitoring and reporting by the Commission is key. For this purpose and as compared to the 5th enlargement, the Commission is now using much more frequently peers from member States who, beyond the adoption of EU *acquis*, monitor on the ground how reforms are actually implemented and enforced, here too reinforcing the process credibility.

## **3. Support to reforms and to economic development**

As the European commission highlighted in its recent Strategy documents, the slowness of reforms in the rule of law areas is one of the main shortcomings in the Western Balkans. EU assistance will therefore put even more emphasis on these areas, including public administration reform. It will also focus more on some strategic sectors to help in the reform process and contribute more to economic and social development of the enlargement countries;

In this context, infrastructure investments are essential to boost investments. To that aim, the Western Balkans Investment Framework has been established with the International Financial Institutions (IFIs) whereby the EU assistance programme (IPA) co finances investments with

the EIB and the EBRD in the first place. The blending of grants and loans is indispensable to get large investments moving;

Former Serbia's deputy prime minister Djelic had proposed 'linearisation' of EU support i.e. a gradual and major increase by accession and less support than is currently the case after accession, with a view to facilitate investment co financing and reduce absorption problems after accession. It would no doubt boost trade and investments before accession, reducing therefore disparities with member States upon accession;

Another EU issue also common with Western Balkans is the integration of Roma communities into mainstream societies. With the accession of Western Balkan countries, the EU will face even more Roma integration difficulties. It is therefore high time to consider setting up a specific Roma fund, that could greatly help alleviating the problems in the up coming decade.

#### **4. Public support to enlargement**

It is quite clear that the European commission should improve its information on enlargement in the member States; however, the European commission can be considered as judge and party. A genuine communication should therefore come from the member States themselves. It is for them to convince their citizens that enlargement is positive for the EU, for its security and Europe stability. It is for member States political leaders to explain the decisions which they take every at the European council on enlargement in December!

The expression 'enlargement fatigue' is misleading. There is rather an (unfounded) public perception in some member States that the 5th enlargement was not positive for the EU and that too many specific problems persist in the Western Balkans, such as corruption and organised crime, ethnic conflicts and border issues. A strict conditionality and reforms and courageous decisions are obviously essential to reach and to convince EU public opinion;

They are essential in enlargement countries as well, where citizens should see the positive results of the reform process, in the rule of law areas in the first place. In that context, all accession negotiators agree: 90% of the work has to be done at home and not in Brussels as the process is actually very little about 'negotiating' but instead about adopting the EU *acquis* and implementing and enforcing it;

To succeed in this endeavour, enlargement countries need to widen the national consensus on EU integration, across the society at large. It can only facilitate the acceptance of the reforms necessary for accession;

In the Western Balkans, this consensus is overall fragile due to existing bilateral issues stemming from the recent wars: 'unfinished States' with constitutional and ethnic problems, rule of law questions, limitations to the freedom of media. It is put into question also when it involves a member State, like in the case of Greece and the Former Yugoslav Republic of Macedonia;

This situation makes the Stabilisation and Association Process conditions very important, on top of the Copenhagen accession criteria i.e. continued cooperation with the ICTY, good neighbourly relations and regional cooperation. Dealing with the past is a pre condition for reconciliation, one of the key principles on which the EU was founded;

*The latest lesson derives from post accession problems, in the light of the recent controversial reforms in Hungary. Does the EU have the leverage to contest reforms in member States when these are based on general principles rather than on hard acquis?*

The infringement procedures recently launched by the European commission and president Barroso's speech at the European parliament invoking EU values as well are no doubt a positive signal and a welcome reaction. It is the EU credibility that is at stake here and that of its enlargement process, criteria and methodology. The outcome of these actions will play a key role in reinforcing the credibility of the on going accession process to the EU.

## What lessons did we learn from enlargement thus far?

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*Dr. O. Holman*

When debating the big bang enlargement of the European Union (EU) towards Central and Eastern Europe (CEE) in 2004 and 2007, it was generally believed that the EU had radiated much of its internal stability to the ‘other Europe’ since the early 1990s. According to many politicians and academics the prospect of possible membership had proved to be an incentive for the candidate-members to develop their democratic institutions and liberalize their economies. In fact, ‘voluntary coercion’ was seen as the best of all possible worlds because the alternative of long-term (voluntary) exclusion would induce national elites in CEE to postpone painful but necessary reforms (as in the case of many former Soviet bloc states not eligible for EU membership). In stressing the disciplining effects of (the prospect of) international integration on the processes of domestic development and modernization in CEE, implicit or explicit reference was often made to the positive effects of international integration on previous transitions in Spain, Portugal and Greece. Only half a decade later we may conclude that euro-crisis induced developments give the success stories of the Mediterranean enlargement a rather unexpected twist; member states like Spain, Portugal and Greece seem to be not so successful after all. On the other hand, some new CEE entrants seem to perform rather well, notably Poland.

We live from day to day in the current euro-crisis, however, tomorrow everything can be different again. And indeed, the latest news is that the euro- or banking crisis may very well spread to CEE in the days, weeks or months to come. This is most likely, 1) because eurozone authorities are imposing additional bank restrictions which have a direct impact on cross-border lending to CEE; 2) because of the poor performance of Western (e.g. Austrian and Greek) banks with a high CEE profile; and 3) because of the fact that three quarter of the CEE banking sector is in foreign (i.e., West European) hands. This morning, Poland’s foreign minister Radoslaw Sikorski was remarkably explicit when he demanded of Germany:

‘that, for its own sake and for ours, it help the eurozone to survive and prosper. Nobody else can do it. I will probably be the first Polish foreign minister in history to say this, but here it is: I fear German power less than I am beginning to fear its inactivity’, (quoted in *Financial Times*, 29 November 2011, p. 13).

Mr. Sikorski, after all a foreign minister of a non-eurozone EU member state, must have had good reasons to publish this dramatic appeal to the Germans.

## **Deadlock(s)? What deadlock(s)?**

This quote is only one out of many, illustrating the current existential crisis of the EU. It is part of what I call Europe's triple impasse (or 'deadlock' as the organizers of this conference want to have it). First, the EU is suffering from a de facto *finalité politique*. In his famous 2000 Humboldt speech, Joschka Fischer was one of the last politicians who dared to dream of a move from 'confederacy to federation'. Today, people like Frits Bolkestein tend to look at the EU as by and large finished. According to them, the multilevel governance structure of the present union is about the best we can expect. In academic terms: European integration has moved from being a dependent variable (i.e., something to be explained) to an independent variable (one of the explanatory factors). That is, unless the current euro-crisis forces politicians to take bold steps in the direction of further deepening, for instance towards fiscal union.

Second, the EU is increasingly facing its *finalité géographique*. Partly as a result of the unintended consequences of big bang enlargement and partly related to a growing, more general eurosclerosis, enlargement fatigue has spread around the Union. Croatia may very well turn out to be one of the last countries entering the EU without problems. Turkey's accession perspectives seem much more gloomy today. In the process we have to reorient our efforts and our mechanism of transformative power to new neighbours, some of which showing a certain reluctance to embrace EU's conditionality. On the other hand, the recent activities of the EU in response to the so-called Arab Spring could be summarised as 'good neighbours but bad governance'.

Finally the EU is suffering a social *finalité*. By this I mean that the EU has reached the limits of socio-economic inequality. As a leading German political scientist, Fritz Scharpf, once put it, every enlargement of the EU has witnessed a sharp rise in disparities between and across member states (making a convergence or harmonisation of social policies more and more impossible to realise). Today, and as a result of the euro-crisis, the social consequences of massive austerity policies will give yet another meaning to the notion of social 'finalité'. I strongly believe that the external performance of the EU, including its attractiveness towards candidate or potential candidate member states, is a function of its internal social cohesion. In short, taking this triple impasse into consideration, there may be very few reasons to discuss future enlargements at all, i.e. before we solve the present crises first.

## **Second and fifth enlargement compared**

But if we abstract from the current crisis for the time being, we may draw some lessons from previous enlargements. I myself did some comparative research on the second (i.e. Mediterranean) and fifth (big bang or Eastern) enlargement. Two variables can be isolated from which we can learn about future impacts. The first one – and, I would argue, the most important one – is the domestic context and starting positions of candidate states. Unlike Spain, Portugal and Greece, countries who started their capitalist development in the late 19th and early 20th century, the new democracies in CEE had to create private ownership overnight after the velvet revolutions in 1989 but lacked domestic capital to realise the massive privatisation needed. Some have referred to this situation, characterised by the absence of a national economic elite, as introducing capitalism without capitalists. I would call this a kind of capitalism dependent on foreign capital and foreign capitalists. Any analysis of the economic



situation in candidate or potential candidate states should take the ownership variable into account.

The same goes for the emergence of self-regulating civil societies in candidate or potential candidate states. I do not have time to elaborate this further, but the very fact that the recent re-election of the Polish government was the first victory in CEE of a party in government since 1989 is rather significant in terms of democratic consolidation (or ownership).

The second variable is the European and/or international context. We cannot evaluate a country's capacity to adopt EU's conditionality without taking into account changing external circumstances. In comparing the second and fifth enlargement again, the end of the Cold War implied a totally different geopolitical architecture. This put a different pressure on the new regimes in CEE. In addition, the CEE-countries were faced with a different conditionality than the Mediterranean entrants in the 1980s. In between the mid-1980s and 2004, the EU had changed dramatically (through the completion of the Single Market and the Treaty of Maastricht, for instance). To put it simply, the 2004 EU was much more difficult to enter than the 1981-86 one, that is, on top of the much more complex starting positions of the 2004 entrants.

Elsewhere I have made a distinction between transition and transformation. While the former process refers to the formal institutional changes necessary for the *establishment* of a democracy and market economy, the latter process also refers to the structural and behavioural changes that are required for the *functioning* of the new system in accordance with the rules and regulations of a democracy and a marked economy. This distinction captures rather well the differences between the second and fifth enlargement and may serve as an indicator for judging future enlargements.

### **Some final remarks**

If enlargement remains a political issue beyond the current euro-crisis, we may briefly reflect on the EU's transformative power. Power means that actor a gets actor b to do something that actor b would not otherwise do. Perfect. This is what the so-called Copenhagen criteria are all about: politically and economically transforming future member states to an extent only to be reached through conditionality, on the one hand, and the attractiveness of full membership, on the other. So far so good.

But the political (Copenhagen) conditionality is formulated in rather vague terms. As a result they can be subject to different interpretations and interests. The same applies to the economic criteria: a well functioning market economy is not the most concrete of all possible conditions. Yet the condition that future member states should adopt the full *aquis communautaire* is guaranteeing economic conditionality rather than the political one, simply because most of this *aquis* is related to economic criteria, albeit nominal ones. This is what I would call 'political transformation or conditionality *manqué*'.

Finally, if we talk about conditionality we can question the balance of political and economic conditions indeed, but we should also discuss the question of 'beyond conditionality'. By this I mean, first, social transformation, i.e. the social consequences of Copenhagen conditionality in new and future member states. Second, beyond conditionality refers to the behaviour of new

member states once they have entered. Will they comply with the rules after (or beyond) conditionality? Finally, beyond conditionality refers to the EU's relations with new neighbours *inter alia* through the European Neighbourhood Policy. There is much room to be sceptical about the implications of this 'beyond conditionality' too.

# Lessons learned from the enlargement of 2004 – a Hungarian view

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*Dr. A. Inotai*

Each enlargement of the European Community and the European Union - starting in 1973, through the eighties and nineties to the ‘big bang’ of 2004 and 2007 - had partly similar, but to a large extent different features. The latter can be attributed to the different stages of the integration process as well as to the different levels of development and priorities of the accession countries. Therefore, lessons learned from previous enlargements have only limited importance for future members. Certainly, some key elements can be helpful but no standard pattern can be ‘copied’ or blindly imitated. Not even the most important standard features can substitute the careful elaboration of the ‘integration strategy’ of the respective country.

This paper tries to formulate in ten points some general lessons and experiences with accession/membership based on the enlargement in 2004 in general and on the Hungarian case in particular. At the moment of applying for membership, the candidate country has to identify the reasons why it wishes to join the European Union. However, this approach remained one-sided in most enlargement processes.

Obviously, the acceding countries defined their basic interests. They included political, economic and institutional criteria. In Central and Eastern European countries, the European integration was considered as an influential political instrument strengthening stability after the unprecedented political and socio-economic transformation. In addition, for small(er) countries, the integration framework was expected to secure a balance in coexisting with large (neighbouring) countries. In economic terms, enhanced trade and foreign direct investments (resulting from free trade, customs union and unified internal market), free circulation of labour, financial transfers were repeatedly stressed. Finally, less emphasis was put on the probably most important component of membership, namely full-fledged participation in the decision-making process of the European Union. Free trade or (limited) financial transfers can be achieved without membership, but co-shaping decisions is only possible from within.

Interestingly, the question of what kind of European integration Central and Eastern European countries would like to join, remained largely in the background. Perhaps due to the assumption that, evidently, everybody wants to join an influential, competitive, future-oriented EU that, in many aspects, can accomplish the role of a global player and, as a result, increase the manoeuvring room of member countries. Moreover, the EU was considered as an open

entity, both to the outside world and towards potential further enlargements. Finally, for less developed new members - and all countries that acceded in 2004 and 2007 were in this category – the solidarity shown by the EU was important.

In the overall communication policy of the acceding countries, the balance between expectations and realities, but sometimes also between (unjustified) fears and realities could not be easily established. The accession process was in most cases (highly) politicized and used or misused by different domestic political groups/parties, according to their short-term power-related interests. Therefore, it is a basic lesson that such a strategic decision as joining a big and influential club needs not only large-scale political consensus but also balanced and realistic information to the public. The latter should differentiate between short- and longer-term impacts. In addition, it has to be made clear that no decision has just positive or negative impacts. Instead, optimization of largest possible gains and smallest possible losses should be the aim. Balanced information can save public opinion from unjustified expectations that, following membership, can easily lead to widespread disappointment or even to anti-EU attitudes. In turn, unjustified fears can endanger potential benefits of membership or, even worse, create the basis for demagogic and populist political parties with destabilizing impacts on the domestic political scene.

A clear integration strategy following accession is a crucial factor of successful adjustment and full-fledged membership. Indeed, all new members developed a more or less transparent strategy for the accession negotiations stage. However, at the moment of reaching the goal of accession (about two years before membership became official), the candidate countries considered the tasks accomplished. As a result, no new member has elaborated a medium-term strategy how to define and protect key strategic interests following membership. Obviously, there were fragmented efforts, as the accession process to the Schengen zone or a several times failed approach to meet the Maastricht criteria and qualify for membership in the Eurozone. However, they did not form part of a comprehensive integration strategy that could have been instrumental in order to make the best use of the changed position of the respective country within the European Union which is much more than Schengen or Eurozone.

Efficient membership crucially depends on the preparedness of the public administration. In this context, fundamental reforms were undertaken during the one decade between application for and the achievement of membership. Adjustments were a basic precondition of starting and successfully concluding accession negotiations. However, the improvement of the work of the public administration does not end with membership. First, the EU is an organization with a constantly increasing *acquis communautaire*, so that national public administrations have to cope permanently with new adjustment tasks. Second, as stipulated in the accession treaties, part of the adjustment was reserved for the period after membership. Transitional measures (exceptions) had to be implemented – both in the ‘old’ and the ‘new’ member states – according to a multi-annual timetable. Third, membership confronted the public administration with new policy challenges (full-fledged participation in the decision-making process) and with for example the efficient absorption of largely increased EU transfers. Fourth, the ‘efficiency balance’ between the national, regional and local levels of public administration had to be created. Fifth, large numbers of the EU-experts educated and trained during the decade of the accession process found good jobs in several EU institutions or lobby organisations. As a consequence, some areas of the public administration started to reveal serious personnel shortcomings because no attention had been paid to the education of a ‘second-generation’ of experts who could have been able to replace the ‘first-generation’

within a smooth transition process. This fact calls for a more comprehensive and forward-looking formation of the public administration on all levels well before accession occurs.

Another important lesson is connected with the timing of indispensable reforms. Of course, many reforms have to be carried out before accession, since they are part of the conditions for membership. However, some of them can be postponed for the period after accession. They include reforms linked to transitional arrangements (e.g. environment, labour market, access of EU citizens to agricultural land) but also to some areas where the government experiences a *reform fatigue* due to the EU-related and accelerated reform implementation process. There are at least two reasons why key reforms should be implemented before accession. First, in reformed areas one can expect to make better use of full-fledged membership. Second, as revealed by the example of most new members, actual membership generally slows down reform dynamism. Thus, reforms may be stopped or interrupted, with negative consequences for continuous adjustment and sustainable growth and competitiveness - a basic factor of successful membership of less developed new member countries.

Membership has affected several economic areas positively, but to different degrees. Trade with the EU was already almost free before accession, with the exception of some agricultural products. Full liberalization of agricultural trade led to rapidly increasing EU exports to new members whose agricultural sectors could not cope with new competition (Baltics, partly Hungary), but had a very positive impact on agricultural exports of well-prepared countries (see Poland). The really spectacular impact on trade can be identified looking at the trade among the new member countries. Before membership, they regularly applied restrictive measures that had to disappear at the moment of membership. As a result, trade among the Central European countries, among the Baltic States as well as after 2007 between Bulgaria and Romania revealed an unprecedented dynamism not only clearly surpassing the average growth of intra-EU trade but keeping pace with trade growth of the leading emerging economies as well. Most foreign direct investors anticipated enlargement well before the final political decisions were made. Still, depending on the new member country's general political and economic capacities, the inflow of foreign capital continued and foreign-owned firms were the primary beneficiaries of the regional trade dynamism among the new member countries. Financial transfers from the EU to the less developed new member states increased several times after 2007, when the new financial framework became effective (for the first three years, between 2004 and 2006 such flows were limited by the constraints built into the previous seven-year financial framework ending in 2006). Labour market restrictions of the EU-15 became gradually lifted but with different timeframes from country to country. Labour mobility of the new members showed substantial differences as well. While Poland and the Baltics have largely used the new opportunities, Czechs, Slovenes and Hungarians were much less mobile preferring selected areas and regions (computer and information technology as well as commuting to Austria and Germany). Finally, obvious differences can be identified concerning preparation for or membership in the Economic and Monetary Union (Slovenia, Slovakia and Estonia having adopted the euro, in contrast to the lack of enthusiasm of the larger new member states such as Poland, the Czech Republic or Hungary).

Enlargement to the East dramatically changed the external borders of the EU. It created new neighbours: Belarus, Ukraine and Moldova, as well as the Western Balkan countries; giving Greece a continental link to the rest of the EU – via Bulgaria. EU policies reflected these geographic shifts to a limited extent only. This can be explained by two factors. First, history-based policy coordination with deeply rooted vested interests (and still surviving stereotypes against the 'East') remained in place. Second, for different reasons, the new member countries

did not realize that they had stopped to be one-sided policy-takers, a situation that generally characterized the accession negotiation process. In fact, with full-fledged membership they entered the stage of active policy-shapers (of course not policy-makers). Nevertheless most of them remained rather silent in the first years of membership. One can only guess whether this behaviour was due to a prolonged learning process, to the lack of a clear integration strategy, to a historically determined feeling of inferiority or a lack of regional cooperation. Nevertheless, the fact that until now four new members assumed the EU Presidency Council position (Slovenia, Czech Republic, Hungary, Poland) can be considered as a maturity test of membership and may create the scope for more active policy-shaping activities on the Community level in the next years.

A further lesson is to give more attention to the problem of *accession fatigue* that should be avoided in future member countries. The phenomenon of *accession fatigue* can be explained by several factors, such as a three-level transformation within half a generation (the democratic and economic transformation, adjustment to the EU and the impact of the global crisis) but also by the a lack of dialogue with the society on the benefits and costs of EU membership and by the natural consequences of economic and financial openness of most new members (with the partial exception of Poland). *Accession fatigue*, similar to *enlargement fatigue* in the old members, can be easily abused and misused by demagogic and populist politicians that have emerged everywhere in Europe - as a consequence of the global crisis and Europe's declining role in world affairs. In this context, both community-level and national actions are urgently required.

One of the open and very delicate issues is the emerging gap in some new member countries between an EU-conform attitude, that existed before membership, and increasingly non-conformist politics after accession. There are clear conditions for a country's accession to the EU, defined in the Copenhagen (plus) criteria. All applicants have made serious efforts to observe them in order to become members. However, once they are in they sometimes allow themselves an attitude which would have definitely have complicated their accession had it occurred before it. Such behaviour could be witnessed in Slovakia, Poland and most recently – on a wider scale - in Hungary, while the Croatian attitude raises some questions as well. Unfortunately, the EU's admmissive attitude started earlier (see Berlusconi's Italy) and provided a 'good example' to others. At the moment, the EU does not dispose of an efficient and transparent legal framework and action plan as to how such violations of the basic rules of democracy and the market economy could be sanctioned. A clear position is urgently needed in order not to undermine the international confidence and trust in the EU as the guarantor of human rights and democratic principles in general, and not to destroy its credibility in the neighbouring countries (Eastern Partnership and Mediterranean basin) in particular. New and future member countries have to be aware of their multi-level responsibilities for the community of which they became or are expected to become full-fledged members. First, they are responsible for maintaining the international reputation, the values and a positive image of the European Union. Secondly, new members are jointly responsible to tackle politicians and parts of the public opinion in the older member states where unjustified stereotypes and prejudices against the East still exist. Third, new members should help create a positive attitude towards accepting new members, mainly the Western Balkan countries, countering the enlargement-sceptic public opinion in a number of member states. Last, but not least, they are responsible for the development of their own societies, citizens and economy in order to continue enjoying the benefits of belonging to a united Europe instead of loosing out in the rapidly changing new global order becoming hostage and victim of self-imposed and unilateral expressions of independence. In this context also a clear stance of the EU is urgently required.

# **Blocked forever? Two proposals on how Macedonia and Turkey could move forward on their way to the EU**

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*Mr. K. Bender*

These are good times for those who think that further EU enlargement should wait. Bilateral vetoes, unresolved questions of sovereignty, reluctant political elites – all these factors are taking their toll and are slowing down the enlargement process. In a number of candidate countries it is difficult to identify the way forward even for those who support a credible and solid enlargement process. This article looks at two such countries, Macedonia and Turkey, and spells out some ideas on how to overcome problems and fill the process with new momentum.<sup>1</sup>

## **Macedonia**

With Macedonia, the case is painfully straightforward. Unless the name dispute with Greece is resolved, Macedonia will remain stuck, regardless how often the European Commission reiterates that the country is ready to start negotiations. This means that incentives for reform remain limited, that the motivation of Macedonia's civil servants will suffer further, and that the Macedonian electorate will become ever more convinced that it is not objective criteria but the position of a neighbouring EU member state that matters most in determining progress. This is hardly a recipe for a happy future for an economically weak post-conflict country at Europe's periphery. If one looks closer at the name dispute (and disregards for a moment the political calculation, nationalistic rhetoric and controversial monument building), the issue boils down to a problem of trust. After years of confrontation between Athens and Skopje, very little of it remains. From a Macedonian perspective, accepting a deal on the name issue at this moment in time means signing up for an uncertain outcome and running a high political risk. No Greek government can give a credible guarantee that even if Macedonia accepts a compromise there won't be additional demands further down the road. This has happened before and is thus a genuine concern. There are no convincing reasons to believe that any other Macedonian government will assess this differently.

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1 This article is based on research conducted by the European Stability Initiative ([www.esiweb.org](http://www.esiweb.org)) and a presentation given by the author at the Clingendael Institute in The Hague on 29 November 2011.

From the perspective of Greece, on the other hand, leverage vis-à-vis Macedonia appears to be at an all time high. It would decrease if Macedonia were allowed to move towards EU membership (by starting accession negotiations under the name of Former Yugoslav Republic of Macedonia, for example). Without any of the major variables likely to change, the status quo could continue for years, if not decades. The progress Macedonia has made after the conflict of 2001 has started to level out. In the continued absence of a serious European perspective, it cannot be taken for granted that the vision of a multi-ethnic European Macedonia will not be replaced by a less constructive narrative (of which recent Balkan history readily provides a number of examples). In the mid- to long-term, one of the biggest EU foreign policy successes could turn into failure. The European Stability Initiative (ESI) has proposed the following way of overcoming this conundrum: Macedonia should enact a constitutional amendment changing the name of the country (which would allow Athens to support the start of accession talks later this year), but stipulating that the change would only enter into force on the day of Macedonia's EU accession.<sup>2</sup> For Macedonia this would be a safeguard against later blockage. If other problems were to appear and Macedonia were not to accede, the name change would not enter into force. This solution would allow Macedonia to postpone the referendum on the issue announced by Prime Minister Nikola Gruevski (which easily could be lost under the current circumstances). Gruevski could reasonably argue that the referendum should be held before the change enters into force, i.e. before Macedonia's actual EU accession. This would considerably raise the likelihood of public endorsement as the name change would deliver a clear benefit, EU membership, in return. The proposal also has advantages for Greece. Its current policy is clearly not delivering results. More than 130 countries use the term 'Republic of Macedonia', including all permanent members of the UN Security Council except France, and the number is growing. A deal along the proposed lines, however, would achieve a genuine and lasting solution to the name issue, a solution that no Greek government – for all the grandstanding – has so far managed to deliver. It would also allow Greece to regain its role as an important regional player and a supporter of the Western Balkans' EU vocation (a role it masterfully played when it held the EU presidency in 2003).

## **Turkey**

While clearly more advanced than Macedonia, Turkey's accession process has also run into troubles. The country has not opened a single negotiation chapter since June 2010. A number of observers say that the process is at its end, that it has become obsolete, and that other options for Turkey's relations with the EU should be explored. Some, including former Enlargement Commissioner Olli Rehn, have worried that negotiations might suffer a 'train crash' over issues such as the Cyprus question. Others have warned of a slow death: that the EU and Turkey will run out of the limited number of negotiation chapters that can still be opened.<sup>3</sup> Then there are those who argue that the EU will never accept Turkey as a member because of Islamophobia and double standards. But there are also those who maintain that reforms in Turkey have already stopped because the Turkish elites have given up. ESI has

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2 For more details on ESI's proposal, first put forward in summer 2010, see: <http://www.esiweb.org/rumeliobserver/2010/06/17/a-proposal-for-breaking-the-macedonian-deadlock-the-issue-of-trust/>

3 With 13 chapters opened and 18 blocked, currently there remain only 4 chapters to be opened, of which one is to be opened at the very end.



analysed these arguments in detail,<sup>4</sup> concluding that Turkey's accession process will be long and protracted, and that although it's unclear where it will end, it is robust and unlikely to die anytime soon. The question for those supporting Turkey's EU membership aspirations is how the process can be filled with some new momentum. There is one area where Turkey has really been discriminated against: visa free travel to the EU. All of the Western Balkan countries (with the notable exception of Kosovo<sup>5</sup>) had their visa obligations lifted in 2009 and 2010. Turkey – more advanced as a negotiating country than any country in the Western Balkans – has not. In 2008 the Western Balkan countries received an EU roadmap for visa-free travel, with some 50 conditions. Once these conditions were fulfilled, after close monitoring by the European Commission and member states, the visa requirements for the respective countries were lifted. The only requirement for receiving such a roadmap was a readmission agreement with the EU, which committed each country to accepting refugees or asylum seekers who used its territory to enter the EU. For a long time it was Turkey's neglect of the issue that was responsible for the lack of progress. But that has changed, and Turkey has now negotiated a readmission agreement. The EU, however, does not want to give Turkey a 'roadmap' as it had done with the Western Balkan countries after they signed readmission agreements. Instead, the EU only wants to 'enter into dialogue and identify further steps.' Turkey says this is unacceptable and has refused to ratify the readmission agreement. Offering Turkey a roadmap following the Western Balkan model, and thus treating it like other candidates, would offer at least three benefits:

First, as experience has shown, a roadmap is the best incentive for reform, providing as it does for the modernisation of border crossings, the enhancement of document safety (biometric passports and secure breeder documents), the strengthening of human rights, and the fight against trafficking of human beings, organised crime and corruption. Second, as former interior ministers of key EU member states, Otto Schily of Germany, Charles Clarke of the UK and Giuliano Amato of Italy, have pointed out, the roadmap is also in the interest of the EU: 'The EU's conditions are demanding. To meet them requires money and effort. But their fulfillment will make the whole of Europe ... safer. Having well-secured borders, regulated asylum procedures, forgery-proof passports and police structures able to cooperate with law enforcement agencies throughout Europe is a good in itself. It is cooperation, not exclusion, which works best in fighting organised crime and illegal migration.' Third, visa free travel is an issue that is important for Turks. Progress on this issue, while not directly related to accession, would help the EU win back some of the credibility that it has lost during the past few years.

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4 ESI, 'A very special relationship. Why Turkey's accession process will continue', 11 November 2010, [http://www.esiweb.org/index.php?lang=en&id=156&document\\_ID=118](http://www.esiweb.org/index.php?lang=en&id=156&document_ID=118).

5 See ESI, 'Isolation Confirmed. How the EU is undermining its interests in Kosovo', 22 November 2010, [http://www.esiweb.org/index.php?lang=en&id=156&document\\_ID=119](http://www.esiweb.org/index.php?lang=en&id=156&document_ID=119).



## The Macedonian Case.

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*H.E. Ambassador N. Dimitrov*

Once regarded as one of the most effective policies of the Union, in some circles, the enlargement is now a matter of political inconvenience, if not worse. However, it is the enlargement policy that brought about the unthinkable transformation of our continent since the fall of the Berlin Wall. It is this policy that spread the realm of stability, democracy, rule of law and respect for human rights. It is the expanded common market that creates huge economic benefits for all citizens of Europe. Finally, it is the perspective of joining the European family that proved to be the most effective mobilizing factor for stabilization, prosperity and regional cooperation in the Balkans.

The answer to the big question whether the EU will close up with big players like the US and China in an increasingly multi-polar world will have to come up in Europe first, where multiple challenges are in desperate need of attention. One of the critical tests for the Union will be the (in)ability to act together in the Balkans - its own backyard. If the EU cannot deliver within Europe it will not be credible globally. First, it is a region that is part of Europe. It is a region where Europe invested immensely for two decades, both financially and in political and security terms. There is no relevant political power in the world that objects to the European future for the Balkans. EU itself said so in 2003 in Thessaloniki. All Governments in the region share their European aspirations. Some are closer to EU membership, others are gradually moving forward, albeit at a different pace yet decisively towards the same goal. Democratic reforms and the overall social transformation have brought greater democracy, greater respect for human rights and freedoms, rule of law, greater transparency of institutions and greater economic opportunities and investments. We need to recognize that the time has come to harvest the benefits.

Before turning to the Macedonian case, I would like to touch upon the two dimensions of the enlargement policy, which I think will contribute to our debate today. First, the criteria based approach. The accession is and should be a performance based process. Whether we use the Dutch 'strict, but fair' motto or the phrase 'double conditionality' coined by Commissioner Füle, the issue is beyond a debate. No country in the Western Balkans is looking for shortcuts or favours. However, due to the lack of the second dimension of the enlargement policy – a geopolitical transformational tool – there are doubts about the second part of the equation: the commitment of the EU member countries to take the necessary political decisions once aspirants and candidates deliver. The EU perspective is crucial for regional stability and for the future of each of our countries and it must be kept as visible and attainable as possible.

Instead, open bilateral issues have interfered in the enlargement agenda, putting the respective countries' EU accession process to a standstill.

This finally brings me to Macedonia and our European journey where every step represents a difficult reform. This historic journey has not been free of some bumps on the road and in our case one particularly heavy ramp. Macedonia is an obvious example of the positive influence of the EU's transformative power:

With the EU support, Macedonia built a functional model of democracy in a multi-ethnic society. This Macedonian model, which is embodied in the Ohrid Framework Agreement, serves as an example in the region and beyond;

From a security consumer and recipient of the first EU military mission in 2003, Macedonia grew into a security provider, participating in international crisis management missions with 4% of its forces;

We have not bypassed any of the institutional stages in the EU integration process. We peacefully proclaimed our independence from SFRY in 1991, but have struggled for international recognition due to the name dispute imposed by Greece, and started developing our relations with the EU in 1996, by being admitted to the PHARE Program and concluding a Cooperation Agreement with the EU;

In 2001 we were the first country in our region to sign the Stabilization and Association Agreement with the EU.

Macedonia received a candidate country status back in 2005, six years ago. Last month, the European Commission highlighted our strengths and pointed out the areas where more work is needed – a report that will be used as a guide in our future efforts. It recommended again, for the third consecutive time, on the basis of our reform performance, that accession negotiations should be opened with the Republic of Macedonia.

Regrettably, the Commission recommendations have not yet been endorsed by the European Council due to Greece's insistence that EU accession negotiations should only start after the 'name dispute' has been resolved. It is a dispute opened by Greece opposing the use of our constitutional name. At the crux of the 'name issue' imposed by Greece is the identity of the Macedonian people and this is why the issue is particularly sensitive. When the Greek former Foreign Minister Lambrinid is made an appeal for European solidarity with Greece in *Huis van Europa* in The Hague earlier this year, he said that the Greeks were also Europeans. I do not want to believe they want us, the Macedonians, to make a choice between being Europeans or Macedonians; not in Europe; not in 21st Century.

We fully acknowledge the importance of finding a mutually acceptable solution. One that will not harm the national, linguistic and cultural self-identification of either the Macedonian or the Greek people, under the auspices of the UN, and we are and will continue to be intensively engaged for overcoming it without any further delay. In the meantime, the costs of the stalemate are solely paid by Macedonia, and at a very high price.

The critical question in this context is what is the attitude of the third States, member countries of the EU? The policy 'not to import disputes' is already stated, loud and clear. It is a rational decision on the basis of the experience with the previous enlargements rounds. However, the real issue is the lack of willingness to engage and facilitate a resolution, regardless of the issue and the principles in question, regardless of the broader European

interest for regional stability. In addition, some bilateral issues prevent the very start of the accession process, designed to assist countries to get ready for membership. It is another question if the name issue, or the Kosovo issue for that matter, are not already 'European' issues, with concrete implications for stated EU policies and its ability to act with one voice. This complicity by inaction, or turning the head in the other direction, is not the right thing to do. The current sovereign debt crisis or rather political crisis came about due to a similar passive behaviour or 'solidarity' with respect to the Stability and Growth Pact.

More attention needs to be devoted to open bilateral issues. General applicable resolution mechanism should be devised. Macedonia sees a positive example in the Slovenian-Croatian model of parallel movement forward in the Euro-integration process and in resolving a bilateral dispute, especially in view of the attention that the EU attached to the process of reaching a mutually acceptable agreement and linking its enforcement with the attainment of EU membership. This example of negotiating in the spirit of European interests and co-operation can be applied as a model for resolving the open bilateral issues in the Balkans, for the purpose of strengthening the peace and stability in Europe. In parallel with the fulfillment of the membership criteria, the EU accession negotiations can catalyze the resolution of bilateral issues in the spirit of European cooperation, bearing in mind the overall European interests. One should not forget that the European Union was born out of the necessity for lasting reconciliation, for reaching out the hand to the neighbour, and it has successfully contributed to the softening of conflicts and devising solutions in the interest of all.

I would like to end my presentation with an appeal that the EU could and should give the necessary political impetus and help the resolution of the name dispute by enabling us to continue our European integration process and start the deserved accession talks. We also asked Greece for support, as a neighbour and the oldest member state of the European Union in our region and declared friend of the enlargement policy, to contribute to the revitalization of the European integration of the whole region. As the European Commission stated last month 'moving the accession process of this country (Macedonia) to its next stage will benefit the momentum of reforms and the climate of inter-ethnic relations, and will impact positively on the region.' I will only add: it will be the right thing to do.



# Turkey's case

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*H.E. Ambassador U. Doğan*

In order to have a meaningful overview of Turkey's long and complicated relationship with the EU, I will need to cover the issue in three main sections:

1. A brief historical background of Turkey-EU relations
2. The transformation process in Turkey and its effect on the EU's future
3. A summary of the current problems in the accession process

## **Background**

In July 1959, shortly after the creation of the European Economic Community in 1958, Turkey made its first application to join the Community. The ensuing negotiations resulted in the signature of the Agreement Creating an Association between the Republic of Turkey and the European Economic Community (the 'Ankara Agreement') on 12 September 1963. This agreement, which entered into force on 1 December 1964, aimed at securing Turkey's full membership in the EEC through the establishment in three phases of a customs union which would serve as an instrument to bring about integration between the EEC and Turkey.

The first preparation phase ended with the enforcement of the Additional Protocol in 1973 and the transition period started. The transition stage, which progressed slowly due to the economic and political challenges of that period, finally ended in 1996 with the completion of the Customs Union. A new phase in Turkey-EU relations started with the recognition of Turkey as a candidate country for full membership at the Helsinki Summit in December 1999. At the Brussels Summit in December 2004, during the Dutch Presidency, it was agreed that Turkey was meeting the political criteria satisfactorily and negotiations could start on 3 September 2005. Negotiations started at the suggested date and the harmonization process is still on-going. In sum, a process which was initiated in 1959, more than half a century ago, has yet to reach a conclusion. This is a unique case in the history of the European Union. For some, it has become a natural reflex to blame Turkey for this never ending story. However, most of you might recognize that the picture is different. Despite all the blaming and delaying tactics, Turkey is resolute in going ahead. This is how and why:

## **Transformation and reforms**

As you are surely aware, Turkey's position in the international scene has evolved quite radically in the recent past. Turkey has not achieved this overnight or by chance. The Turkish economy has been Europe's fastest growing economy in the last decade. Turkey is the world's 16th largest economy. The OECD estimates that if Turkey sustains this economic performance in the next decades, it will be one of the ten largest economies in the world and will be the second-largest economy in Europe by 2050. As pointed out in Turkey's 2011 Progress Report, the EU-Turkey Customs Union continues to boost bilateral trade between the EU and Turkey, which exceeded 100 billion Euros in 2010. Turkey is the EU's seventh biggest trading partner while the EU is Turkey's biggest. Moreover, almost half of Turkey's total trade is with the EU and almost 80% of Foreign Direct Investments in Turkey comes from the EU. Turkey's possible contributions to the security and diversification of the EU's energy supply are also worth mentioning in this respect. Over 70% of global crude oil and natural gas reserves are located in regions surrounding Turkey. The EU's current energy dependency rate exceeds 50% and is expected to reach 70% by 2030. With large scale energy projects, such as the Baku-Tbilisi-Ceyhan project and Nabucco pipelines, Turkey will significantly strengthen EU's energy security by diversifying its energy supplies. Furthermore, ranking 7th in the world in terms of geothermal potential, and 8th in terms of hydroelectricity, Turkey is one of the richest countries in renewable energy resources. This being said, ironically, the Energy Chapter remains blocked by an EU member state. Turkey and the EU see eye to eye on many foreign policy issues. Turkey's increasing role in the wider region as an active player especially in the Middle East and North Africa as well as the Balkans, Mediterranean, Caucasus and Asia, is an asset for the EU. Turkey enjoys a unique credibility in the afore-mentioned regions as a mediator and facilitator. Our geographical, cultural and historical ties with the countries in these regions strengthen the influence of Turkey as a credible actor. In the context of the 'Arab Spring', Turkey was often mentioned as a role model for newly emerging Arab democracies. If the EU genuinely wants to become a true global player, Turkey should count as one of its member states. The profound changes that Turkey has undergone, reflect the popular sentiment with intensive and consistent efforts to achieve the twin goals of democratization and modernization. As Prime Minister Recep Tayyip Erdogan has said, the EU accession process is one of the most important social transformation projects in the history of the Turkish Republic. Some tough reforms, despite incurring a substantial political cost, were successfully implemented due to initial popular support for Turkey's accession process. However, popular support in Turkey for EU accession has been dwindling due to a perceived unfair treatment. This is an unfortunate trend.

## **Current problems and the future**

The negotiation process, which had a good start in 2005, quickly fell victim to delays and blockages. Some member states and EU institutions, more aware of the importance of the general interests of the EU, have been unable to counteract these blockages so far. The start of accession negotiations is assumed to constitute the beginning of an irreversible process in which the candidate country's membership perspective becomes gradually clearer. This has not been the case with Turkey. In fact, the whole enlargement process was put in the back burner. The EU seems to have, momentarily we hope, turned its back to the visionary and long-term policies, which made the EU relevant and important in the world stage. Unfortunately, each and every EU Presidency has put less and less importance to the



enlargement process. The fact that Turkish leaders are no longer invited to join EU summits since the accession of Romania and Bulgaria, sends the wrong signal to the public opinion on both sides. Failure of progress on visa liberalisation, is also a growing irritant in Turkey-EU relations. For instance, whereas Turkish goods can move freely into the EU, thanks to the Customs Union, their Turkish designers, manufacturers and marketers can't follow their products into EU markets as they are still faced with draconian visa requirements. This competitive disadvantage faced by Turkish business, also constitutes an effective barrier to free and fair trade. We accept the fact that no negotiation process can be purely technical, but none has been influenced by political factors to the same extent as Turkey's. In the case of Turkey's accession negotiations, out of 33 chapters, 13 were opened and 17 of the remaining 20 were blocked due to the political impediments of certain member states and the EU Council. Currently, there remain 3 chapters (Competition Policy, Public Procurement and Social Policy and Employment) which may still be technically opened. However, these 3 are the most difficult chapters, which have critical macroeconomic effects that other enlargements have addressed at the end of the negotiating process.

## **Conclusion**

As I have pointed out above, it has been more than half a century since Turkey has initiated its integration process with the EU. It should not be expected that Turkey will wait another half a century. Some claim that Turkey has no real alternative to Europe. This argument might be fair enough taking into account the level of economic integration between Turkey and the EU, and in particular, the fact that a liberal and democratic Europe has always been a beacon for reform in Turkey. However, the opposite is also valid. Especially in a global order where the balance of power is shifting rapidly, the EU needs Turkey as a full member to become an ever stronger, richer, more reputable and more secure Union. Current efforts to launch a new positive agenda, aimed at reinvigorating Turkey's accession process, based on a pragmatic approach and incorporating concrete steps in areas of common interests, if crowned with tangible results, can have a positive contribution on Turkey's accession process and its relations with the EU.



# **EU enlargement, EU conditionality and EU state-building ambitions: Could less EU create more EU?**

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*Dr. M. Ducasse-Rogier*

## **A diversity of situations.**

As the seminar has shown on many occasions, enlargement is a process covering very different situations. Although there is currently a general feeling that enlargement is stalling, many nuances have to be taken into account regarding the factors impeding EU accession in the various candidate or potential candidate countries. While some countries are faced with (more or less openly acknowledged) European resistance towards their entry in the EU, others are lacking clear internal popular support for enlargement, with a population still divided about the prospects of joining the EU and or reluctant to pay a high price for it; other countries are faced by obstruction coming from one (or more) specific EU countries, and some are finally blocked because of issues related to their internal organization or even recognition as states. This diversity of situations, which calls for different approaches regarding the enlargement process make it also necessary to further reflect on the general objective lying behind the mere goal of enlargement.

## **Enlargement: a goal or a tool?**

One of the questions that can be raised in that respect relates to what is expected to be achieved through enlargement. Most EU enlargement supporters would agree that the main aim of the process is to bring security, stability and prosperity in a wider European region, to create more business opportunities for EU members, to provide citizens with an extended territory, to promote shared values such as democracy and good governance etc. This said, and looking slightly further, questions can also be raised about the very essence of enlargement: is it a goal in itself (the end-goal of a process) or a tool (to achieve the reforms that would lead to the end-goal)? Recently, the trend has indeed developed (especially with the 2004 and 2007 enlargements rounds) to see enlargement as a tool to promote reforms that would make the candidates' standards closer to those of the rest of the European Union countries. Enlargement has thus progressively become both the goal to achieve and the means to reach the goal. This 'conditionality' has quite logically taken root in a post-cold war Europe where aspiring countries also needed to (institutionally) level-up with the rest of the EU, and it

can be seen as having been a quite successful means of promoting reforms (although questions can still be raised on the genuine nature of those reforms in some states where implementation has become a problem). However, we can say that in this period, joining the EU was still the main priority, making the EU enlargement goal taking precedence on the tool it also represented. Interestingly, it seems that today the situation has somewhat changed in some of the candidate (or prospective candidate) countries, where EU conditionality is perceived as a predominant element of the reform process that should make those states functioning ones. In two specific situations, namely Bosnia and Herzegovina and Kosovo, EU enlargement is indeed perceived as the most efficient way to resolve issues as important as the very nature of the state and has as such become much more of a tool than a goal. It sometimes seems that looking at those countries (from an EU or Western perspective at least), the end-goal (joining the EU) is in the end far less important than the leverage this end-goal might create. This in turn creates a dilemma : when the goal and the tool to reach the goal are the same, if the tool becomes more relevant than the goal, doesn't it undermine in a way its efficiency? Here a distinction has to be made between countries where enlargement-linked reforms are aiming mainly at transforming and adapting existing and functioning institutions (as was the case with the previous rounds) and countries where there is a need of building functioning institutions (so called 'state-building operations'). In those countries, more reflection has to be carried out regarding the efficiency of the EU enlargement as a reform-promoting tool – if only because the lack of results in that area ends up discrediting both the EU and the enlargement process.

### **EU enlargement conditionality's efficiency.**

What matters in that regard is the nature of the impediments to the state-building exercise. The more political the issues (the more they are related to sovereignty issues or ethno-territorial organization) preventing the proper functioning of the state, the more complicated is the task and the highest the cost-benefit ratio of the required reforms. This tends to make the enlargement tool less efficient in those situations where, like in Bosnia and Kosovo, the issues that have to be solved are directly related to the war aims of the 1990's conflicts.

In such situations, the EU enlargement perspective's efficiency also depends on a number of factors directly related to EU members capacity to sustain this efficiency. Let's mention here a few issues that can seriously impede EU capacity to promote such reforms:

- EU enlargement fatigue (or perceived fatigue): the negative signs coming from many EU members regarding their willingness to go further with EU enlargement unquestionably take their toll on the candidate states' populations propension to support painful reform programmes without being assured that this will bear fruit – at least in a foreseeable future.
- EU lack of coherence (on the enlargement criteria for instance): in spite of an official list of criteria for enlargement, the EU has been in the last years (in some specific countries, such as Bosnia) muddling with its criteria, sometimes even coming back on declarations made earlier. This inconsistency has to be dealt with (acknowledged, explained and rejected as a future possibility) in order to reassess the credibility of the EU conditionality.
- EU lack of cohesion (on the Kosovo recognition for instance): the fact that 5 EU member states still do not recognize Kosovo is one of the main factors undermining EU credibility in this country. EU conditionality can only function when based on a concerted agreement of all 27 member states.

- Euro-crisis and EU internal difficulties to deal with it : the EU is currently less convincing and might become in the future less attractive when failing to deal with internal difficulties and facing an economic recession.

These remarks are not meant to contest the capacity of the EU to use enlargement as a conditionality tool, but merely aim at underlining the fact that all types of reforms cannot equally be promoted by solely relying on this tool. Supporting a different view might in the end bring the opposite result than the one expected – namely undermine the efficiency of EU conditionality and further hamper reform processes. On the other hand, refocusing on the initial goal of EU enlargement and linking conditionality with what can really be achieved (ie. EU membership) might prove in the benefit of both the reform processes and, ultimately, EU enlargement.

### **Conclusion.**

The goal of this short contribution was to underline the necessity of clarifying the role and ambitions of the EU regarding enlargement, taking into account the variety of situations across the continent. A clear assessment of what the EU wants to achieve with the enlargement process, and of how this can be done (if it can), might ultimately generate more support for enlargement (if coupled with a good communication policy). For that, a transparent evaluation of the EU capacity to achieve its goals is also required : those capacities might not be equally relevant for the different situations mentioned above. Finally, let's add that overloading the EU might not be an ideal solution either : in some cases, it might also be useful to acknowledge the existence of certain limitations to the EU capacities and that some of the goals cannot be fulfilled by the sole virtue of the enlargement process. In that sense, less EU may ultimately bring more EU.



# **EU enlargement is the most powerful incentive for peace.**

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*Mrs. J. Hoogenboom*

IKV Pax Christi is a Dutch peace organization that has worked in the Western Balkans since the early nineties. It has worked with local civil society in Macedonia and Croatia and still works in Bosnia, Serbia and Kosovo. We see the EU enlargement process as one of the main opportunities for sustainable peace in the Western Balkans, though the process as it is now is not meeting all challenges. I would like to focus on some elements that would make future enlargement contribute more to sustainable peace.

## **Main challenges**

Each conflict we work in has its specifics. But three enlargement challenges stand out. These are the lack of a political framework, the continuous nationalism and ethnic segregation and the huge gap between state and citizens, one of the key aspects of state fragility.

### *Lack of political perspective*

All states in former Yugoslavia have repeatedly been assured of their European perspective. All countries, consider themselves to be potential members. The vast majority of the population want to become EU citizens. They want the prosperity and freedom that come with EU membership. But in the cases of Bosnia, Kosovo and Serbia a political framework is lacking. Bosnia is a dysfunctional state and non of the reforms needed in the enlargement process provides a solution for this. Kosovo does not enjoy full sovereignty as Serbs in part of its territory do not recognize the Kosovar state. Nor do five EU members, which makes any prospect of a real EU accession process an illusion unless at least the EU agrees on the status of Kosovo. And everyone knows Serbia and Kosovo will need to have some form of relation and borders also for Serbia to be able to accede, but in what way is only unfolding step by step.

### *Nationalism and segregation*

The conflicts also still resonate in the relation between ethnic groups. Political leaders mostly stand up for their own ethnic group. People hardly interact with other ethnicities. Different groups hold on to their own narratives of war. No process of dealing with the past is taking place. An example: in Kosovo the vast majority both of Serbs and Albanians has indicated in

an opinion poll that they would prefer not to live in the same street the other ethnicity. A society that is so segregated and has gone through recent violence is an unstable one. And while it is clear that no enlargement process could force a quick fix when it comes to reconciliation, the enlargement process needs to pay more attention to this for the future, to at least make sure that some first steps have been made when countries become an EU member.

#### *Gap between state and citizen*

The last fundamental challenge in post conflict countries is the huge gap between state and citizens. Governments pay much attention to meeting external preconditions, laid out in EU conditions. This leaves less space for democracy to grow, as national parliaments are unable to change these conditions. This is a fundamental challenge of the EU as a whole, but it is especially risky in fragile and young states like Bosnia and Kosovo. They do not have a long grown relation between state and citizens, in which citizens are expecting their government to take care of certain things. The EU conditions should not be changed, but both EU institutions and national governments should be aware of this every step of the way. The gap between state and citizens is not decreasing, and without a real relation between the two, a state cannot be a stable strong EU member nor can one speak of a sustainable peace.

### **Suggestions for the future**

In all these challenges, there are some good practices either in the enlargement process, or in the EU overall approach.

#### *Political framework*

The need for a political framework I think is widely shared, though the how is less clear. I would like to make three, probably obvious suggestions, without going too much into the specific situations of Kosovo, Bosnia and Serbia. A coherent strategy is needed between the enlargement process, the European Union External Action Service and member states. This includes overcoming internal differences. The most obvious example of an internal difference is the disagreement about status. How are Serbia and Kosovo supposed to find pragmatic solutions for current problems, in spite of the status issue, if EU member states themselves permanently struggle and sometimes fail to find pragmatic solutions for overcoming the same status disagreement. A strong political presence is needed. An EU Special Representative needs to be able to speak out, use diplomatic pressure, have a strong backing from member states. Courage is needed to step out of the status quo. Allowing the current situation is not going to change anything. Without at least some changes within Dayton, Bosnia will continue to fail as a state. Maintaining the status quo in northern Kosovo also has not brought any solution any nearer and continuation will only keep both Serbia and Kosovo hostage in the current situation. Political will, strength and courage is needed to come out of the current deadlock.

#### *Nationalism, segregation and dealing with the past.*

The problems in ethnic relations resonate between states, between state and citizens and between ethnic groups. The EU enlargement process pays due attention to the first two. Regional cooperation mechanisms are strongly supported and pushed for in the enlargement process. The minority-citizen will benefit from the stronger emphasis on rule of law in the last enlargement package. Negotiations will open with the difficult chapters that relate to rule of law, thus making it possible and necessary to build up a track record. This will strengthen



minority protection and equal rights for all, which will contribute to better ethnic relations. But little attention is paid in the enlargement process to reconciliation, to restoring interethnic relations. One does not build trust between population groups through external interventions. One should not want to aim for the full processing of a recent war during the process of EU enlargement. But within EU enlargement bottom up initiatives that work on dealing with the past could be more strongly supported. The European Instrument for Human Rights does support such initiatives, but funds available are very small.

*The gap between state and citizen.*

One should not change conditions in EU enlargement. But one can do more to diminish the damaging effect of too much external accountability to the European Union. Two suggestions: The Commission could push for more accountability towards citizens. Whenever new policy or reforms are discussed, one of the issues on the agenda should be the way in which parliament, citizens and civil society have been involved in drafting the reform. The same can be done when providing financial support: when a new energy plant will be supported, a properly implemented procedure for citizens participation should be a precondition. Greater attention to constituency building should include a change in the accountability of the EU itself: when promoting democracy abroad, it should hold high principles of transparency and accountability, especially in situations in which it has as much power as in Bosnia and Kosovo. If we really want to stimulate potential members to be states that are responsive to the needs and interests of people, that are transparent and accountable, then the EU should give the right example, and be open to public scrutiny and aspire public accountability. The most pressing example of a bad practice in this respect, is the lack of transparency of the EU rule of law mission in Kosovo, EULEX, which is even more worrisome as this comes to something that is so relevant for the lives of people as a rule of law mission with an executive task.

With all these extra challenges one might be tempted to think one should better just forget about enlargement for the countries in the Western Balkan that are lacking behind. But it is exactly because of these challenges that region as a whole needs to become part of the European Union. First and foremost because a sustainable peace that is truly beneficial to people depends on it: EU enlargement is the most powerful incentive for peace. But it is also important for the European Union itself: enlargement is the best road to conflict resolution, and without it a lot of energy, manpower, finances and frustration will have continue to be poured into Kosovo and Bosnia just to maintain a fragile peace. And being able to play a conclusive role in solving conflicts is very important for the credibility of the European Union in the international arena: how can the EU truly be a credible actor in foreign policy if it does not manage to solve crises in its own backyard.



## Enlargement is a win-win situation

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*Mr. J. Kacin*

Let me say right at the beginning that my firm conviction is that enlargement has been the most successful EU policy so far. It has brought stability and predictability to our continent. It has created a market of half a billion people. Above all it created a community of 27 democracies bound together by shared values and political principles.

Today we face a make or break moment for the Euro. We will either go towards a more integrated Union, toward a Federal Europe, or we face a possible dissolution of the Euro. Merkel and Sarkozy will be meeting soon to reach an agreement on the framework of the fiscal union we urgently need. European Central Bank director Mario Draghi also hinted at a more aggressive role the ECB could play, once the political leaders do their part. I hope the coming weeks and months will bring this crisis to an end. Despite the current acute economic crisis, I would argue that we need to keep the enlargement process alive and vigilant. This is in the best interest of the Union as well as the aspirant countries. Moreover, it is directly linked to fostering growth for our economies. I think we need a speedier progress and work to change the too negative views on enlargement we now face. We must maintain that EU integration and enlargement is a win-win situation, for the current EU member states and for the candidate and aspirant countries. We need you and you need us, 'we and we'- not 'we and them'. Not only for markets and business, but for education, work, ideas and initiatives - culture and human understanding. Croatian accession to the EU in July 2013 will be a major victory for the European integration of the Western Balkans. It will show that applying strictly the membership criteria does bring results. We need to sustain this positive momentum by making sure Montenegro begins accession negotiations as soon as possible. We must work and fight together to ensure that no other country waits for opening of negotiations for as long as Macedonia has. Macedonia has been a candidate country for six long years, but with no sign it would start the negotiations soon. We want to see Macedonia progressing fast in Europe. This cannot happen unless the current crackdown on media freedom stops immediately. We fought hard for the visa liberalisation - and we continue to press for the Commission to start that work with Kosovo too.

I think the EU's support is genuine and open - but fair and strict too - conditions are to be met. That is why we support that the most difficult and sensitive chapters like Justice and Home Affairs are opened in the early stages of the negotiations. Respect for fundamental rights and freedoms are essential to us. I was personally deeply disappointed to learn that the Belgrade Gay Pride march had been banned earlier this autumn - I hope that was the last time

that will ever happen. Given the political and economic crisis in the EU, all Western Balkan countries should fight tooth and nail to speed up reforms and make sure they send positive messages to Europe. Western Balkans needs to prove its stability and European orientation particularly now in the backdrop of the Euro crisis. The Belgrade-Pristina dialogue is crucial to the successful integration of Serbia and of Kosovo into the EU and must continue, be stepped up, and the agreements reached must be implemented. Neither Kosovo nor its citizens should be bargaining chips in the election campaign.

The roadblocks and tensions in northern Kosovo must be dismantled and removed as soon as possible, otherwise Serbia cannot be granted candidate status. The Council can postpone its decision until March, but this would be yet another three months lost in the long path of accession process Serbia cannot afford. As the EP rapporteur on Serbia, I still hope that the Council will acknowledge reforms carried out in Serbia recently as well as the eleventh hour agreement on border crossing between Belgrade and Pristina. There are voices in the Union saying this is too little, too late. I am of the opinion that the EU should draw Serbia closer and make the European perspective visible to Serbian citizens by following up the Commission's recommendation and granting Serbia the status of a candidate country. On the other hand, I want to underline the current and future governments of Serbia need to strive for more, not less in the European integration process. Accession negotiations with Serbia should be opened as soon as possible. Only Serbia can make this happen by meeting benchmarks indicated by the Commission. First and foremost, this means significantly improving relations with Pristina, not merely stabilizing them. There are other crucial criteria: the rule of law, fight against corruption and organized crime, respect for minorities, fight against discrimination.

After Croatia formally joins the EU, Montenegro will become the next leader of European integration in the region. We need to have at least one country negotiating its membership in the EU. This will wake up Serbia, Bosnia and above all Macedonia which is waiting for the beginning of negotiations for 6 long years. Montenegro is facing serious challenges on its own. A genuine rule of law needs to be established in the country, while fight against organized crime needs to be stepped up. As a comparatively small country, Montenegro is in a relatively good position to carry out reforms on the European path. But further progress is needed when it comes to proving independence and professionalism of state institutions and particularly the judiciary.

The deadlock in Bosnia-Herzegovina must become a European concern and we must help them to overcome the stalemate. We need an EU initiative to organise an international conference to assist the country to reach a new constitutional set-up. I wish to underline that this does not present a 'paternalistic approach' as some may interpret EU initiatives for Bosnia - it is an offer by a friend to help the country and all its citizens. Efforts to improve the infrastructure should be a priority and this will be boosted by the Croatian accession to the Union. The Foreign Affairs committee of the European Parliament will soon commence its work on the multiannual financial framework for the years 2014 -2020 and will conduct a revision of the Instrument for pre-Accession, IPA.

Of course there are some things we could do much better. Right now the EU is rather good at demanding respect for fundamental rights and the rule of law in a general way. I would like to see the Commission and the EU delegations and the External Action Service also react in individual cases - not as a judge or to replace the judicial process, but to be more pro-active as a watchdog. We need to bring EU and its rules closer to the citizens of the accession countries.

# The American Vision on EU Enlargement

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*Mr. Zia S. Syed*

I've been asked to speak on the American vision for EU enlargement and the role of the U.S. in the Balkan region. Please note that while my views here should represent those of senior U.S. State Department officials, I will be speaking for myself at times. The only sure way to get clear and definitive guidance on the U.S. government position on these topics is to consult State Department materials that are available through our website ([www.state.gov](http://www.state.gov)) and our Embassies' websites

Before beginning to speak on the Balkans, which I am more familiar with, I should make a short remark on Turkey, which is also covered by this seminar. It is well known that the United States has been a strong supporter of Turkey's EU aspirations, and this has not changed with changes in U.S. administrations and with changes in the U.S. Congress.

Turning back to the Balkans – let me start broadly and then I'll address some of the specific countries. If you were to sum up, the overarching view or vision of the Balkans for the United States, and it is a phrase that our senior officials use quite frequently – it is that until the process of European integration has brought all of the countries of the region into the fold, the vision of a Europe which is whole, free, democratic and at peace, will remain unrealized. And we believe unequivocally, that the strongest possible motivator for enhanced progress in the Balkans remains the prospect of EU membership. It is a powerful incentive, along with that of NATO membership.

To be clear, the United States fully supports EU accession for the entire region – not only because this will contribute to a more stable region, but also because it will contribute to the social and economic development of each country. This is why we focus development assistance on helping them meet the key technical requirements of membership in the EU. We closely coordinate with Brussels in designing policies that assist these countries to realize their potential. This coordination is a top priority for both the United States and the EU.

As far as how we see things are going -- we have been very pleased to see several encouraging signs in the political and economic development of the region. First and most importantly, almost all of the states in the Western Balkans now have a structure of political development that will enable movement along a self-sustaining path toward membership in Euro-Atlantic institutions.

Secondly, in some, though not all, countries there is a heartening trend in the development of a political center that is no longer dominated by the nationalistic issues that they faced in the 1990s.

Region-wide, we would like to see stronger institutions so that the Balkans can fully enjoy the benefits of their democratic systems. Priority areas include a greater commitment to the rule of law and improved human rights, along with efforts to shore up fundamental institutions to ensure a free and professional press and a strong civil society.

Turning to individual countries and issues. Starting with Kosovo-Serbia, which is timely given the next round of the Dialogue is tomorrow in Brussels. Regarding U.S.-EU coordination, the United States strongly and vocally supports the EU-facilitated dialogue between Belgrade and Pristina. The United States is present in the dialogue discussions, normally at the Deputy Assistant Secretary level, and consults with all dialogue participants. Everyone from the Secretary of State on down notes the importance of the dialogue and that we support EU's facilitating role.

As an aside, we also greatly value the cooperation in the Quint meetings and with direct U.S.-EU Balkan meetings, such as the one we had between our Deputy Assistant Secretary and senior officials from the European Commission and the External Action Service last month. Let me mention one aspect here that I have been asked about more than once regarding U.S. views on a possible Kosovo partition plan. We believe that there is simply no possible way for borders in this region to be re-drawn along ethnically clean lines. If such a process is set in motion, there is no way that it can be confined to a single boundary line in the Balkans, and there is no way that it can end peacefully. Any rhetoric calling for the partition of Kosovo and questioning the ability of people of different ethnicities to live together is harmful to regional reconciliation and are contrary to the international community's decade-long effort to move the region beyond the ethnic conflicts of the 1990s.

As EU High Representative Ashton has said, the future of Kosovo lies in the European Union. The United States strongly agrees. Like other countries that have been motivated by the prospect of EU accession, we believe that Kosovo needs to see concrete steps towards its European perspective. We understand that there is the belief with many in Kosovo that the EU path for them is not nearly as clear as with other countries in the region. Kosovo needs to see concrete steps towards its European perspective. To that end, we were very supportive of the EU's announcement that it will open a visa liberalization dialogue with Kosovo this year. We hope that Kosovo soon receives European Council backing for concluding contractual relations in the form of a trade agreement or even a stabilization and association agreement.

On Bosnia, we believe there have been some successes since the 1990s, but we assess that the country has not moved in the right direction over the past five years. We have witnessed a dangerous rise in nationalist rhetoric as well as brazen challenges to state institutions and the Dayton settlement. In addition, the reform process needed for NATO and EU accession has stalled. Bosnia's political leaders have been too willing to stoke ethnic fears and to place their personal political interests over the needs of the people they are supposed to represent.

In order for Bosnia-Herzegovina to keep pace with progress elsewhere in the region it must be able to function as a state that can deliver results for all of its citizens regardless of their ethnicity. We have been urging -- both publicly and privately -- progress in several areas including creating functioning political institutions and introducing governmental reforms

necessary for Euro Atlantic integration. The United States is working in very close coordination with the European Union on these priorities, and we continue to urge Bosnia's leaders to form a new government and address these issues in parallel.

We have been very supportive of the Special Representative Peter Sorensen whom we strongly support to lead an enhanced EU presence dedicated to guiding Bosnia and Herzegovina towards its European future.

Regarding those who advocate Republika Srpska independence or secession for the Republika Srpska. Our long established policy is that the RS is a constituent part of Bosnia and Herzegovina and secession/independence are inconsistent with the Dayton agreement. That said, we support robust entities in the country and the decentralized government structure established in the Dayton Agreement, but moves toward or even threats of secession set back prospects for European integration and destabilize the neighborhood.

One of the rare areas of perceived tension between the United States and the EU is surrounding the role of the Office of the High Representative in Bosnia and Herzegovina. I would rather not get into the details of the diverging viewpoints, but in short, despite the perception some may have, the United States does not advocate a perpetual mandate for the OHR, but rather wants to be certain that the EU on the ground has the appropriate capacity and operational capability to handle what may arise in OHR's absence.

In short, despite occasionally different tactics or short-term policies, our long-term perspective for the Balkans is very similar to what the EU has for the Balkans -- full participation of all the countries in the region in European institutions. I'll stop there but would be happy to discuss during the question and answers our policy or views of EU Enlargement in other Balkan countries which I did not have time to address here.