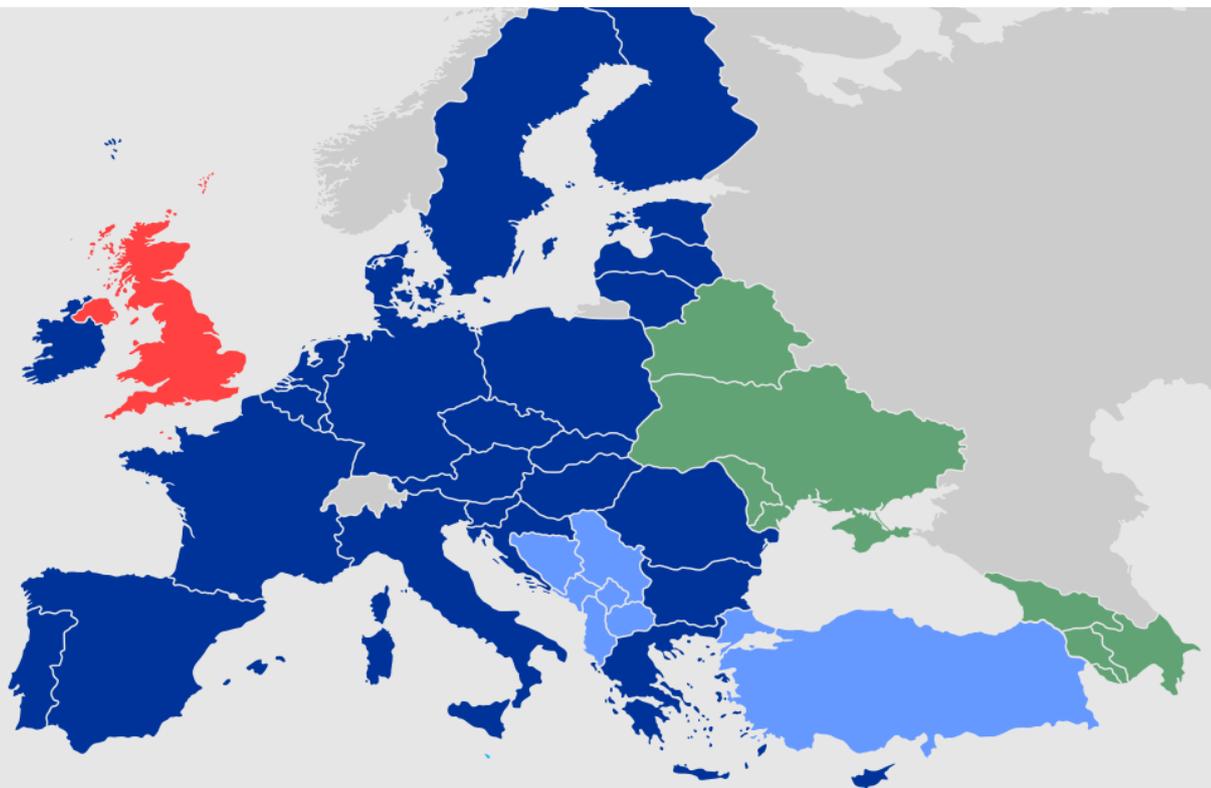


EASTERN MONITOR

EU enlargement after Brexit: Temporary turmoil or the final nail in the coffin of enlargement?

Marko Stojic

- **The result of the British referendum on EU membership sent powerful shockwaves across the EU and beyond, throwing the Union into 'an existential crisis' and causing a period of unprecedented uncertainty and confusion over its future. How will the British decision to leave the EU affect the prospects of countries that seek to join the Union? Will EU enlargement, a policy that had lost its momentum long before the British decision, gradually wane? Will member and candidate states seize an opportunity to finally reenergize this foundering policy?**



Most commentators argued that Brexit will significantly slow down enlargement¹ or even that 'EU enlargement process is dead'.² Conversely, EU and member states officials rushed to reassure concerned Western Balkan candidates that Brexit will not affect their membership bids since 'nothing has changed with Britain's decision'.³ Although deeply disappointed, regional leaders also pledged to continue with their efforts to join the Union. They, however, acknowledged that 'this new era will be unpleasant'⁴, bringing delays in EU integration process and boosting – dormant yet ever-present – voices that propagate anti-EU sentiments in the Western Balkans.

Thus far, there have been no major implications of Brexit for EU enlargement to the Western Balkans. Although the UK did not grant its consent for Serbia to open negotiation chapters in June due to 'technical reasons' related to the referendum results, it quickly reversed its decision, allowing Serbia to open two crucial chapters in July. Montenegro also opened two chapters in June and in September, the Council accepted the Bosnian membership application and asked the Commission to assess the readiness of this country to become a candidate, with the questionnaire expected to be sent to the Bosnian authorities in December. Other candidates made no tangible progress, being held back by long-term internal political crises rather than Brexit. At first glance, it seems it is business as usual in Brussels.

However, Brexit is a significant event whose long term ramifications are potentially far-reaching. It will inevitably have a negative bearing on the enlargement process that hinges on two equally important factors – the willingness of member states and EU institutions to genuinely support, encourage or, at least, not to block the candidates on this long and arduous journey, as well as the resolve of regional

political elites to carry out essential reforms. The EU and member states are now likely to become even less enthusiastic about expanding the weakened Union, while the candidates will grow more 'frustrated and annoyed'⁵ with the pace of the process.

"It is unlikely that Brexit itself will halt the enlargement process, not least because all other alternatives are neither viable nor adequate responses to the regional needs for political stability and democratic consolidation."

Yet, most political elites in the candidate states have not had EU-required reforms at the top of their agendas for quite some time now, regardless of Brexit. In other words, internal political and economic problems coupled with the negative regional dynamics – not the fallout from Brexit – will remain to be the key reason for the delay or absence of the candidates' progress towards EU membership. The aspiring states will not be ready to join the Union for a long time to come, somewhat limiting the damaging effects of the British decision. Overall, it is unlikely that Brexit itself will halt the enlargement process, not least because all other alternatives – such as staying indefinitely in limbo outside of the EU or forging strong links with Russia – are neither viable nor adequate responses to the regional needs for political stability and democratic consolidation.

¹ Maja Poznatov, *Analysts: Brexit will slow EU enlargement in the Western Balkans*, EurActiv.com, <https://www.euractiv.com/section/global-europe/news/analysts-brexit-will-slow-eu-enlargement-in-the-western-balkans/>

² Timothy Ash, *Brexit and the end of EU enlargement*, Financial Times, <http://blogs.ft.com/beyond-brics/2016/07/01/brexit-and-the-end-of-eu-enlargement/>

³ Merkel: Brexit won't stop EU expansion, Deutsche Welle, <http://www.dw.com/en/merkel-brexit-wont-stop-eu-expansion/a-19377700>

⁴ *Balkans Shaken as UK Chooses EU Exit*, Balkan Insight, <http://www.balkaninsight.com/en/article/no-good-news-for-the-balkans-after-uk-chooses-brexit-06-24-2016>

⁵ *Srbija na evropskom putu – frustrirana i iznervirana*, rtv.rs, http://www.rtv.rs/sr_lat/politika/srbija-na-evropskom-putu-frustrirana-i-iznervirana_768540.html

The EU after Brexit: No more magic power

Although no member state has officially opposed enlargement to the Western Balkans, most of them have been reluctant, if not hostile, to any expansion of the Union. Brexit will further exacerbate such sentiments. In the years to come, the EU will focus on the painful divorce process with the UK and preventing other states from following suit in an effort to consolidate itself. Naturally, there will be no appetite for major decisions – let alone breakthroughs – regarding any new member. Despite the July 2016 Paris summit which confirmed that ‘the enlargement perspective of the Western Balkans is alive and as valid as ever’⁶, an even lower level of commitment to enlargement has been already evident. In his annual address to MEPs, the Commission president Jean-Claude Juncker did not even mention EU enlargement and the Bratislava Declaration did refer to the Western Balkans, but only in the context of migration and securing external borders. The Eurogroup president, Jeroen Dijsselbloem, has gone as far as to call for end to EU expansion, putting it rather bluntly ‘*let’s just say for once- this is it*’.⁷

The Commission’s plan to publish its next annual reports on candidates’ progress in spring 2018, instead of autumn 2017, may also be cause for concern for those aspiring countries that are yet to begin negotiations. Although this new timing will allow the Commission to harmonise its reporting period with the calendar year and the Economic Reform Programme cycle, it may also leave the least advanced countries in a grey area for a relatively long period. The Commission’s reports are a crucial mechanism for not only monitoring, but also directing, reforms in the potential candidate countries that, unlike the candidates, lack alternative institutional links with the EU of comparable political weight. It is yet to be seen if this is also a consequence of a potentially more significant involvement

of DG NEAR in negotiating the future EU-UK relations, which is likely to put EU expansion off its radar for some time. Overall, the bloc’s interest in the region seems to be waning along with a simultaneous loss of its ‘magic’ for the candidates that came to realise that ‘the EU is no longer the big dream it was in the past’.⁸

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However, the ramifications from Brexit should not be overstated. A complete halt to enlargement is not likely to happen. Indeed, it is a critical time for the Union faced with the complex challenges on its southern and eastern flanks. Yet, the EU has no other alternative but to continue with this policy. Severing the relations with the Western Balkan candidates would have extremely negative consequences, not least given the more assertive Russian presence in the region. This would create a dangerous security and political vacuum, triggering a new cycle of regional tensions and dashing hopes for political stability and economic recovery.

Many pundits argued that the candidates will now lose an important ally in Brussels since the UK has been a strong promoter of enlargement. However, Britain has ceased to be a champion of enlargement in recent years. A new EU approach to Bosnia and Herzegovina – that effectively postponed conditionality for the later stage of integration – was indeed launched in 2014 under German and British

⁶ Sinisa Jakov Marusic, *Paris Summit Boosts Serbia’s EU Hopes*, Balkan Insight, <http://www.balkaninsight.com/en/article/balkans-summit-underlines-region-s-eu-perspective-07-04-2016>

⁷ Cynthia Kroet, *Jeroen Dijsselbloem calls for end to EU expansion*, Politico, <http://www.politico.eu/article/jeroen-dijsselbloem-calls-for-end-to-eu-expansion/>

⁸ *Vucic Says EU Membership Has “Lost Magic Power” For Balkans*, Radio Free Europe Radio Liberty, <http://www.rferl.org/a/vucic-says-eu-membership-has-lost-magic-power-for-balkans-migrant-crisis-brexit/27568380.html>

leadership. But, at the same time, the UK has more often than not been in the group of countries that opposed granting consent for candidates to progress towards membership. In the 2000s, it was a vocal opponent of Serbian and Croatian membership bids due to the lack of their cooperation with the International Criminal Tribunal for the former Yugoslavia, while in December 2013 it was one of EU member states that denied Albania the status of candidate country.⁹

British enthusiasm for enlargement has eroded as a consequence of the domestic political impact of mass migration from Central and Eastern Europe. The referendum campaign further revealed that British political elites – both in the ‘Leave’ and ‘Remain’ camps – have deep reservations about the Western Balkan candidates, signifying a U-turn in British policy towards ‘the countries with poor populations and serious problems with organised crime, corruption, and sometimes even terrorism’.¹⁰ Post-Brexit Britain is thus more likely to block the aspirant countries. In October 2016, it was the only state blocking Montenegro from opening two chapters, doubting that this country (of only 620,000 people) is ready to make concessions on the free movement of labour.¹¹ Britain apparently also blocked Serbia from opening three more chapters. According to an undisclosed EU diplomatic source, ‘London was preoccupied with its own problems’ and did not have a clear stance on this issue.¹²

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Moreover, given that the UK is the second biggest economy and a net contributor to EU budget, it may be reasonable to expect a decrease in EU funds available to the candidates. However, some analysts argued that the negative impact on the EU budget will be rather small due to the effects of the British rebate, the potential contribution the UK would be obliged to make to obtain access to the internal market or the tariff revenues if it remains outside it.¹³ Likewise, the UK has never been a significant investor in the Western Balkans; British investments accounted for only 3% of the total FDIs in 2014.¹⁴ The potential economic decline of the UK as a fallout from Brexit may have thus a very limited impact on these economies.

The Western Balkans after Brexit: Shaken, but determined to ‘progress’

The bearing of Brexit on the candidates resolve to progress towards membership seems to be somewhat less significant. Although deeply concerned about EU prospects of their countries, the regional leaders reiterated their determination to progress towards membership. However, they have been progressing very slowly – Serbia for example opened only four chapters since January 2014 – while some other countries even backslid in democratic standards. The reforms have been predominantly held back by internal and regional factors. In other words, the innate nature of these states and societies, rather than Brexit, will primarily continue to hamper their efforts to join the Union.

⁹ Tanja Milevska, *UK no longer advocates for EU enlargement*, EurActiv.com, <https://www.euractiv.com/section/enlargement/news/uk-no-longer-advocates-for-eu-enlargement/>

¹⁰ *Should poor, corrupt Albania, Serbia, and Turkey join EU?*, bet92.net, http://www.b92.net/eng/news/world.php?yyyy=2016&mm=04&d=25&nav_id=97805

¹¹ Dusica Tomovic, *UK “Blocking Montenegro” From Opening EU Chapters*, Balkan Insight, <http://www.balkaninsight.com/en/article/uk-blocks-montenegro-s-eu-accession-talks-10-11-2016>

¹² Natasa Latkovic, *Otkrivamo Dve zemlje blokiraju otvaranje poglavlja, sporazum s Pristinom navode kao jedini uslov*, blic.rs, <http://www.blic.rs/vesti/politika/otkrivamo-dve-zemlje-blokiraju-otvaranje-poglavlja-sporazum-s-pristinom-navode-kao/xck2q6x>

¹³ Jorge Nunez and David Rinaldi, *The Impact of Brexit on the EU Budget: A non-catastrophic event*, cepe.eu, <https://www.ceps.eu/publications/impact-brexit-eu-budget-non-catastrophic-event>

¹⁴ Peter Sanfey, Jakov Milatovic, Ana Kresic, *How the Western Balkans can catch up*, ebrd.com, <http://www.ebrd.com/news/2016/how-the-western-balkans-can-catch-up.html>

Serbian EU accession remains a hostage to the ruling elites that have rhetorically supported EU membership (and relatively successfully implemented EU-required economic reforms). At the same time, they have demonstrated a high level of misunderstanding of the key principles of modern liberal democracies – the freedom of speech and the rule of law – best exemplified in the suspension of the latter in the Sava Mala case.¹⁵ What will crucially determine the outcome of Serbian integration with the EU – which is still by no means inevitable – is its relation with Kosovo. It has recently become increasingly difficult to reconcile Serbian claims over Kosovo with efforts to progress to more demanding phases of EU accession. In other countries, progress has been stalled by the agonizing internal political crisis (Macedonia), unsettled constitutional arrangements coupled with deep mistrust among nationalist political elites (Bosnia and Herzegovina), weak state institutions and deep political polarization (Albania) or an unresolved status rendering EU membership de facto unattainable (Kosovo).

Moreover, unresolved bilateral issues will more likely to affect the Balkan candidates than Brexit. The recent Croatian blockade of the Serbian membership negotiations and a continued Greek opposition to the Macedonian membership bid are a stark reminder that the region is still beset by competing nationalisms and legacy of the post-Yugoslav conflicts that is likely to inhibit EU accession in the years to come.

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A post-Brexit upsurge in party and public Euroscepticism however appears unlikely. In contrast to other countries, this region has not witnessed the surge in populist Euroscepticism driven by anti-immigration or radical right ideology. Eurosceptic parties are either non-existent or politically irrelevant in Montenegro, Bosnia and Herzegovina, Kosovo, and Albania. Anti-EU parties returned to Serbian parliament following the April 2016 election, but they remain to be on the fringe of party politics (Serbian Radical Party and Dveri) or divided by internal conflicts (Democratic Party of Serbia), and thus unable to present a serious alternative to the government. They nevertheless greeted Brexit with jubilation, with a leader of the Serbian Radical Party tweeting that the 'English have driven a stake into the heart of the corpse of the EU'.¹⁶ On the other side, public support for EU membership has been high and stable across the region – 71% in Macedonia, 74% in Montenegro, and 76% in Bosnia.¹⁷ Serbian public has been the only exception since the support for EU membership hit a record low level – only 41% of respondents being in favour of it in June 2016.¹⁸ Yet, 53% of respondents argued that even if the UK leaves the EU, Serbia should continue its EU accession process.¹⁹

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Brexit will therefore represent more than just a temporary turmoil for the Balkan candidates. Still, it is unlikely to be the final nail in the coffin of enlargement. This

¹⁵ Marija Ignjatijevic, *The Collapse of the Rule of Law in Serbia: the "Savamala" Case*, pointpulse.net,

<http://pointpulse.net/magazine/collapse-rule-law-serbia-savamala-case/>

¹⁶ Balkan Newsbeat Twitter account, <https://twitter.com/BalkanNewsbeat/status/746271650237153280>

¹⁷ *Latest opinion poll findings on Montenegro's EU integration process: steady support for membership*, delmne.er.europa.eu, <http://www.delme.ec.europa.eu/code/navigate.php?Id=3455>, <http://prizma.birn.eu.com>,

http://www.dei.gov.ba/dei/media_servis/istrazivanje/default.aspx?id=1905&langTag=bs-BA&template_id=120&pageIndex=1

¹⁸ Serbian European Integration Office, Public Opinion Poll for June 2016,

<http://www.seio.gov.rs/documents/national-documents.223.html>

¹⁹ Lana Gedosevic, *EU Gubernija Gradane pitali da li Srbija da lici na Evropu ili Rusiju, rezultati su pravi srpski paradox*, blic.rs, <http://www.blic.rs/vesti/politika/eu-gubernija-gradane-pitali-da-li-srbija-da-lici-na-evropu-ili-rusiju-rezultati-su/rtzkzfy>

is certainly not due to the resolve of EU and Balkan elites to work on overcoming the crisis or seizing an opportunity to invigorate this policy, but because all other alternatives look less comforting. Despite enormous challenges ahead, the process that has widely lost its key purpose - to consolidate and transform Western Balkan societies into liberal democracies based on the rule of law and respect for human rights - will thus likely to keep going, but protracted more than ever before and beset by a complex set domestic and regional problems.

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