

## **Europe and the Balkans: Membership Aspiration, EU Involvement and Europeanization Capacity in South Eastern Europe**

LEEDA DEMETROPOULOU  
Panteion University, Athens

### *Abstract*

This article discusses the Europeanization capacity of the Balkan states and demonstrates their Europeanization potential contrary to common assumptions of incompatibility between the Balkan and European integration. Using as case studies EU-candidate Romania and the Republic of Macedonia the paper argues that EU membership aspiration can actually bear significant transformations and adaptations in the Balkan domestic scenes. This creates new prospects for the future regional role of the EU and allows for new considerations concerning the region's place in the New European Architecture. In the first part, Europeanization is analysed as a EU-oriented process, directly dependent upon specific mechanisms and intervening confining conditions. Analysis is based on a combination of supranational institutionalism, Europeanization approaches and democratisation theories that acknowledge the international dimension of democratisation. In the second part, the broader EU framework for the region and the more specific one for the promotion of regional development are presented, followed, in the third part, by the institutional response of the two case study countries. In the last part, the limitations of the current European system and the need for a parallel EU enlargement in the Balkans are discussed.

### *Introduction: The Balkans today-Europeanization and the incompatibility of Balkanisation*

The Balkan<sup>1</sup> region constitutes today an inseparable part of the under formation 'new' European space. However, its incorporation into the New European Architecture has proved particularly problematic with negative consequences for the whole of the European space and the evolution of European integration. In fact, the Balkans, and more specifically what the EU calls 'Western Balkans', remains the least integrated and most unstable region of the continent. Throughout the Cold War period, the Balkan Peninsula constituted the area of division par excellence. With the collapse of the communist regimes in Eastern Europe and within the broader unification euphoria that followed the Maastricht Treaty, the prospect of a common

Balkan future in a democratic and prosperous Europe looked feasible. However, the violence that characterized Ceausescu's overthrow, the anarchical situation that dominated the Albanian political scene and especially the violent disintegration of Yugoslavia indicated that transition and integration would be much more costly and demanding in the southern easternmost European corner.

There is no doubt that the past decade has been exceptionally difficult for the Balkan countries. Constant hostilities created deep-seated resentments and led to the emergence of a polarized patchwork of nation-states. In most of the countries, struggle, lack of reform consensus, limited democratic experience and weak institutions impeded politico-economic progress; delayed and unimplemented reform programmes derailed the countries from the path of fully functioning market economies leading to inferior economic performance, declining living standards, rising unemployment and increased poverty (The World Bank, 2000).

Within this context and following the continuous ascription of the Balkan adjective to the atrocities of the Yugoslav wars, it is of no surprise that old pejorative connotations (Todorova, 1997) of inherent savageness have re-emerged. According to Uvalic, the prevalent view has been that people in the Balkans are primitive and uncivilized, and that by analogy, their economies are also backward, underdeveloped and inward-oriented (Uvalic, 1997:19-34). Further developments in the region and references to the past strengthened these images that had no place in a stable, peaceful, Europeanized and prosperous continent, making 'Balkans' and 'European integration' incompatible and seriously doubting the Europeanization capacity of the concerned countries.

In this article, contrary to such assumptions, it is argued that the Balkans can be Europeanised. Using as case studies EU-associate Romania and the non-EU-associate Republic of Macedonia it is argued that EU membership aspiration can actually bear significant EU-oriented transformations and adaptations in the Balkan domestic scenes, thus creating new prospects for the future regional role of the EU and allowing for new considerations concerning the region's place in the New European Architecture. In the first part of the article, Europeanization is analysed as an EU-centred process, directly dependent upon specific mechanisms and intervening confining conditions. Analysis is based on a mixture of Europeanization approaches, supranational institutionalism and democratisation theories acknowledging the international dimension of democratisation. In the second part, the broader EU framework for the region and the more specific one for the promotion of regional development are presented, followed, in the third part, by the institutional response of Romania and the Republic of Macedonia. In the last part, the limitations of the current system are discussed and the need for a parallel EU enlargement in the Balkans is emphasised.

*Europeanization: EU-guided systemic transformation, mechanisms and confining conditions.*

Throughout the last decade, a considerable number of studies emerged concerning the impact of the EU on its member-states or generally on Western European countries with (more or less) similar politico-economic systems.<sup>2</sup> Broadly speaking, the concept of Europeanization was re-introduced to refer to a set of processes through which the EU political, social and economic dynamics become part of the logic of domestic discourse, identities, political structures and public policies (Radaelli, 2000). However, the EU impact on countries with different politico-economic and social systems, more specifically on the post-communist European countries in transition, remained vastly unexplored. Once the Eastern bloc collapsed, considerable differences surfaced among these countries. However, the vast majority of them shared the common aspiration of EU membership. What has been the impact of this membership aspiration on their domestic spheres?

Within the context of these countries, i.e., of aspiring candidates in transition, Europeanization can be understood as the conceptual framework that links integration and transition (Agh, 1998). Thus, it acquires a more specific meaning as a process of systemic transformation and structural accommodation based on a set of special requirements for full EU membership. States that are not law-governed, market-oriented liberal democracies cannot be accorded full membership. Thus, the EU functions as a reference model for the modernisation of the political, economic and social systems (Ioakimides, 1998) of the aspiring candidates in transition, and Europeanization becomes a series of operations leading to systemic convergence through the processes of democratisation, marketization, stabilisation and institutional inclusion (Demetropoulou, 2000:197-217).

Not ignoring the fact that a number of different variables influence the outcome of Europeanization, two of them stand out as particularly significant in the case of the Balkans: a) the mechanisms of Europeanization, and b) the confining conditions within the region and within each Balkan state.

a) Europeanization mechanisms: It is a basic assumption among Europeanization approaches that different mechanisms have a different impact on the various domains of the concerned state (policy-making procedures, identities, institutions, structures etc.) leading to varying adaptations (or non-adaptations). Referring to the post-communist aspiring candidates the following Europeanization mechanisms can be discerned (borrowing from democratisation theories' terminology (Schmitter, 1996:26-54) and combining with Europeanization approaches' typologies (Radaelli, 2000)):

COERCION: i) *Control* (promotion through specific policies supported by positive and negative sanctions). ii) *Conditionality* (deliberate use of coercion, by attaching specific conditions to the distribution of benefits).

MIMETISM: i) *Contagion* (dissemination of experience through neutral channels). ii) *Consent* (interactions between international processes and domestic groups that create expectations from below).

b) Confining conditions: In accordance with Kirchheimer's terminology, confining conditions refer to those conditions that hinder human action and have to be overcome for breakthroughs, conceived as environments facilitating, if not maximizing, the room for choice to occur (Kirchheimer, 1965:964-974). These confining conditions can be grouped into the following categories:<sup>3</sup>

STRUCTURAL: emerging from the nature of the whole society in its historical development.

TRANSITIONAL: stemming from the nature of the recent transformation between two social systems.

SYSTEMIC: characterising the given social system dominating the concerned state.

STATE-BUILDING/NATION-FORMATION: establishing a new state with its internationally recognized borders or even a new nation.

Table 1 is an attempt to group the confining conditions that exist in the Balkans and hinder Europeanization in accordance with the EU broad membership requirements of liberal democracy, rule of law and market economy. There is no doubt that each state carries its own peculiarities, however an attempt can be made to sum up the common confining conditions that still exist, more than ten years after the collapse of the communist regimes in the region, and that need to be addressed for the Europeanization of the Balkans to be facilitated.<sup>4</sup>

The confining conditions included in this table refer to both past and present structural, systemic and transitional problems and are grouped in three categories: a) political conditions, b) economic conditions and c) social conditions. All these conditions are closely related to the principal Balkan problem that is no other than the instability caused by unsettled borders and unresolved minority issues—fourth category.<sup>5</sup> All these conditions should be treated as factors which human agency (individual leaders, elites, and collective actors) should address during transition, in an attempt to minimise their restrictive impact and maximise the freedom to build arrangements helpful to successful democratic outcomes (Diamandouros and Larrabee, 2000:24-64).

**Table 1.** Confining conditions in the Balkans.

<b>Political</b>	<ul style="list-style-type: none"> <li>- Absence of political culture and of participatory democratic tradition</li> <li>- State-society relations / weak organizational capacity of social actors and weak civil society</li> <li>- Inexperience of political division and pluralism</li> <li>- Lack of political institutions</li> <li>- Lack of political experience and skill of governance</li> <li>- Lack of significant opposition, prevalence of authoritarian elites</li> <li>- Incomplete or 'superficial' democratization and re-institutionalization</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li>- Poor and underdeveloped economies and pre-modern cultures</li> <li>- Lack of economic institutions</li> <li>- Tradition of state intervention in the economy; inexperience of free market economy functioning</li> <li>- Archaic/insufficient infrastructures, means of production</li> <li>- Foreign debt, stagnation, annual inflation, GDP reduction</li> <li>- Inexperience in socio-economic crisis management</li> <li>- Negative balance of payments, decline in labor productivity</li> <li>- No functioning market economies-clientura</li> <li>- Privatization caused problems</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>- Anti-urban and anti-modern mentalities</li> <li>- Lack of middle class</li> <li>- Social discontent by shock effects</li> <li>- Lack of new social structures</li> <li>- Deepening social crisis and extended appearance of crime</li> </ul>
<b>State-building</b>	<ul style="list-style-type: none"> <li>- Unsettled borders</li> <li>- Relations of political centre with minorities</li> <li>- Close interrelationship of minority problems</li> </ul>

*The EU Europeanization framework for the Balkans: broader approach and regional policy*

Despite the fact that it is common practice of the EU to form special strategies vis-à-vis group of countries, the Balkans have not been perceived by the EU as a group and have not become the object of a relevant endeavour. By mid-1990s, Bulgaria and Romania had been included in the Central and Eastern European (CEE) group for which the EU eventually elaborated an enlargement policy and a distinctive pre-accession strategy. Referring to the rest of the Balkans, military confrontations have proved

necessary for the formulation of more coordinated (though less comprehensive) EU approaches. Thus, the Bosnian wars and the Dayton/Paris Peace Agreements led to the adoption of a Regional Approach in 1996-97 and the Kosovo crisis opened the way for the Stabilisation and Association Process (SAP) in 1999.

Table 2 summarises the EU framework for the CEE group. This framework clearly defines the aims, necessary steps and support instruments for the democratisation, marketization, stabilisation and final inclusion of the concerned countries into the EU institutional edifice. A variety of mechanisms have been at work in support of Europeanization: the voluntary mechanisms of contagion and consent have been present throughout the 1990s. The mechanism of control, initially hindered by the lack of cohesion and of common foreign goals among the member-states, has been more extensively used by the EU following the opening of the Screening of the Acquis and of the Review Procedure. However, the mechanism that has been most widely and consistently used, is the mechanism of conditionality. The Union's influence has been clearly one of coercion by linking politico-economic conditions with the coveted membership prospect.

Furthermore, this framework has at least addressed some of the numerous confining conditions that hinder the Europeanization of the CEE group. For example, during the 1991-1997 period, the EU provision of technical assistance and funding to Romania and Bulgaria addressed (though not always successfully) confining conditions such as the lack of political, economic and social institutions, the obsolete and insufficient infrastructures and means of production, the economic stagnation, the lack of civil society and privatisation caused problems. Special support was also provided for macro-economic stability and know-how was transferred for socio-economic crisis management and free market economy functioning. Within the current framework of the re-orientation of PHARE and of the elaboration of ISPA and SAPARD, the EU support focuses primarily on the legal, institutional and structural adjustment of these countries to the Acquis and on their inclusion into the EU institutional edifice.

The other Europeanization framework concerns the Western Balkans and is still under development. Up to the Kosovo crisis, there was no indication of an EU involvement in the promotion of the Europeanization of the concerned countries. Efforts had been directed towards the viability of Bosnia-Herzegovina, the normalisation of relations in the area of the former Yugoslavia and the implementation of the Dayton/Paris Peace Agreements.<sup>6</sup> Throughout that period, conditionality aimed at broader peace and stability but failed to take into consideration the peculiarities of the region sometimes even blocking the provision of assistance and support. The failure of the EU to handle the Yugoslav crisis and to come up with a coherent policy for the region, overcoming EU internal struggles for power and influence, diminished its authority and ability to control developments. The lack of an accession prospect and especially of contractual relations (or the limited extent of institutionalised relations) had a negative impact on the image of the EU. Thus, demonstration effects were minimal for the majority of the Western Balkans that, in any case, were struggling for survival or internal order.

**Table 2** The EU and Central East Europe

<b>First Step</b>	Europe Agreements			
<b>Second Step</b>	Copenhagen criteria			
<b>Third Step</b>	Essen Pre - accession Strategy	Europe A greements		
		PHARE Programmed		
		White Paper		
		Structured Dialogue		
<b>Fourth Step</b>	Agenda 2000- Reinforced Pre-accession Strategy	European Conference		
		Accession Negotiation Process		
		Accession Process	Accession Negotiations	
			Screening of the Acquis	
			Review Procedure	
			Reinforced Pre- accession strategy	Europe Agreements
				Accession Partnerships
		Pre- accession Aid and PHARE		

As the socio-economic gap between the Western Balkans and the rest of Europe continued to grow and a new crisis with broader implications emerged, the need for the Europeanization of the area became stronger. It became obvious that humanitarian assistance and critical aid alone could not solve the problems. Moreover, limited and inconsistent support for reforms (in case it was provided) and the lack of an accession perspective could not eliminate the systemic, transitional and structural confining conditions; even

more to the extent that in most cases they had not even been addressed. Border issues remained unresolved and it was soon realised that most of the problems could not be redressed but within a regional context. Table 3 summarises the status of EU-Western Balkans relations (June 2000) demonstrating the limited institutionalisation of relations and the restricted provision of PHARE (technical and financial) support.

**Table 3:** State of relations of Western Balkans with the EU (June 2000)

Countries	Autonomous Trade Preferences	PHARE / OBNOVA	Contractual Relations	Stabilization and Association Agreement
Albania	YES	YES	YES, Co-operation Agreement	Negative assessment, November 1999
Bosnia-Herzegovina	YES	Not eligible for full PHARE assistance, just projects in direct support of the peace agreements	NO	No feasibility study
Croatia	YES	NO-suspended since 1995- assistance under other programs	NO	Positive assessment, May 2000
FRY	NO	NO	NO	No feasibility study
Macedonia	Only for wines and spirits as the Co-operation Agreement covers all the rest	YES	Yes, Co-operation Agreement, Agreement in the field of transport	Launch of negotiations, March 2000

Source: European Commission, DG External Relations

Thus, the Stability Pact for South Eastern Europe, the SAP, the CARDS Regulation and the Zagreb Summit Declaration came as necessary steps at the end of the 1990s. With this new framework,<sup>7</sup> the EU demonstrates its intention to support the Europeanization of the Western Balkans towards



their future inclusion into the EU institutional edifice. Table 4 summarises the EU objectives for the new decade. These objectives are quite indicative, as they address some of the confining conditions of the Western Balkan countries. The SAP is a more comprehensive framework, based on the respect of conditions concerning democratic, economic and institutional reforms and on individualised approaches with significant involvement of national actors. All these, combined with the elaboration of an area-specific instrument for the provision of support, the re-definition of conditions and the offer of potential accession, allow for a degree of optimism concerning the effectiveness of the Europeanization mechanisms and the EU involvement in the region.

The above-presented differences between the two broader EU frameworks are also reflected in the narrower EU frameworks for the provision of support in specific policy areas, such as the policy for regional development. In the case of the CEE countries, the EU has elaborated special instruments and allocated specific funds to promote, within the visible prospect of the future access to the Structural Funds, not simply their regional development but more specifically the elaboration of relevant policies and the establishment of the necessary EU-prescribed administrative structures and institutions.

The example of Romania is quite indicative. Since the initiation of relations between the EU and post-communist Romania,<sup>8</sup> the EU demonstrated its interest in the country's regional development and provided support for the elaboration of a compatible regional development policy. References can be found in the majority of official documents. The 1997 Commission Opinion and the annual reports that followed have closely monitored relative developments. The EU has been consistently promoting the regionalization of economic development and the diffusion of planning and implementation competencies to regional and local actors. This broad model has been promoted in Romania too through a series of PHARE programmes designed and implemented to encourage the development of the appropriate institutional and legal framework.<sup>9</sup>

**Table 4** EU objectives and support for Western Balkans.<sup>10</sup>

	<b>Main objectives</b>	<b>Main areas of support</b>
<i>Albania</i>	Comprehensive administrative and institutional reform, fully-fledged democracy and the rule of law, socio-economic transformation towards market economy, economic development through infra-structure improvement, bring Albania closer to EU standards and principles, and prepare the country for gradual integration into EU structures (SAP)	Institution-building and strengthening administrative capacity against corruption and organized crime, improving energy, transport and water networks, technical assistance for agriculture, local development and education, democracy and human rights, cross-border co-operation, humanitarian assistance

<i>B – H</i>	Consolidate peace process and foster inter - entity co-operation, ethnic reconciliation and return of refugees / displaced persons, functioning institutions and viable democracy, lay foundations for sustainable economic recovery and growth, bring the country closer to EU standards and principles	Reconstruction of infrastructures, return of refugees / displaced persons, democratization and education, institution building, economic regeneration, humanitarian assistance
<i>Croatia</i>	Structural and economic reforms and entrenchment of democracy and the rule of law, help the country move closer to EU standards and principle, and make possible its integration into European structures (SAP), inter-ethnic reconciliation and return of refugees / displaced persons	Humanitarian and relief assistance, reconstruction and refugee return, customs, media, democracy and civil society
<i>FRY</i>	Humanitarian support to the population in need, stimulate the process of democratic change, transition towards fully fledged democracy and market economy, help ethnic reconciliation and return of refugees / displaced persons, bring the country closer to EU standards and principles	Serbia: Humanitarian assistance since 1992, support for independent media, NGOs and civil society actors and since 1999-Energy for Democracy program, Schools for a Democratic Serbia Programme -2000. Kosovo: Reconstruction assistance and humanitarian aid, exceptional financial assistance. Montenegro: Alleviate government's expenditures, infrastructure support, food security, technical assistance to institute economic reforms in key areas, humanitarian assistance.
<i>Macedonia</i>	Strengthen institutional and administrative capacity of the state and civil society actors, assist the government at central and local level to facilitate economic and social transformation towards a market economy, bring the country closer to EU standards and principles (SAP)	Support to enterprises and the financial sector, transport (Cross-border, EIB, PHARE), agriculture, environment, education, social sector, local government development, cultural development, democracy and civil society, reforms in public administration and statistics, critical aid and humanitarian assistance

In the case of the Western Balkans, structural assistance for regional development has been provided (in the cases where it has been provided) as a means for furthering cross-border and regional co-operation. Specific instruments have not been devised, nor special funds have been allocated to promote regional policy-making and institution building per se. On top of this, the lack of any prospect of integration into the Structural Funds has not been replaced by any other, even secondary, incentive. However, the indirect effect of co-operation in accordance with the European Spatial Development Plan guidelines and the EU defined priorities, and the incentive of participation into certain forms of co-operation with the member-states, should not be underestimated.

The case of the Republic of Macedonia constitutes a good example. Relations with the EU got off the ground much later compared to Romania. A Co-operation Agreement was not signed before 1997 and the country did not become eligible for PHARE support before 1996. The EU did not perceive regional development per se as a priority and did not make any attempt to directly promote institutional adaptation, institution building, legal harmonisation or policy-making in this field. However, regional development has been indirectly promoted as the basis for successful economic transformation and cross-border and broader regional co-operation. In accordance with the Structural Funds logic, PHARE has provided support for local government, decentralisation, infrastructure and environmental protection.<sup>11</sup>

#### *The institutional response of the Balkans—adaptation and Europeanization*

What has been the response of Romania and the Republic of Macedonia to the above-presented frameworks? Concerning Romania, the inclusion in the European integration process has set in motion a set of procedures aiming at the more rapid and efficient elaboration of the necessary steps for eventual EU accession. To respond to the gradual creation of the integration conditions, Romania has promoted policies that promote the elaboration of the necessary framework and the modernisation of the country's institutional structures.

Table 5 summarises the institutions established for the better co-ordination of Romania's participation in the European integration process and the facilitation of the country's systemic accommodation to the EU system. As the relations with the EU intensify and the rights and obligations of Romania increase, the whole institutional edifice further evolves through the development of new institutions, the re-orientation of already existing ones, the clearer allocation of competencies and the more efficient co-ordination of activities.

**Table 5.** Romanian institutions for European integration.

The Department for European Integration (co-ordination)
The Inter-ministerial Committee for European Integration (decision – making, monitoring)
The Specialized Units for European Integration (decentralization of implementation)
The European Institute of Romania (counselling, research)
The National Fund (treasure, supervision of financial administration)
The Central Finance and Contracts Unit and the Implementation Agencies (management and implementation)

The decision of the European Council in Helsinki to invite Romania to start negotiations has given new momentum to the efforts of the country to update its institutional structures to make them more compatible with present requirements and to bring them closer to the Western levels (Romanian national programme for accession, 2000). The substantial growth, re-orientation and allocation of pre-accession PHARE assistance, the introduction of ISPA and SAPARD, the participation in new programmes and the extension of Twinning, have led to important institutional adjustments for the better management of the foreign assistance projects.

In the area of regional development, Romania has not simply transformed its previous policy and structures. It has absorbed elements of the EU regional policy and Structural Funds objectives and mechanisms and has proceeded with the elaboration of the necessary legal framework and the extensive building of new institutions. To strengthen co-operation on regional development and land-use planning in accordance with Article 88 of the Europe Agreement, Romania has elaborated a whole new policy whose strategic priorities coincide with those of the EU structural policy. Within the framework of the review process, the Regular Reports of the Commission and the Screening of the Acquis, a new legal framework has been adopted. To satisfy the condition of competent and effective institutions for the substantial implementation of the Acquis and to gain access to substantial structural assistance, Romania has established a whole set of decentralized institutions at all levels of governance. As Tables 6 and 7 indicate, a regionalised policy and institutional structure are being elaborated in search of compatibility to the EU promoted model.

The demonstration effect of the EU, constant though declining throughout the 1990s, has been complemented by EU facilitated co-operation and consent between Romanian and EU member states' governmental and non-governmental actors, conditionality and close Commission monitoring, and has opened the way to the Europeanization of Romania's regional development. A set of confining conditions has received special EU

assistance and support: the weak regional development institutions, the limited emergence of substantive regional policies in the past and the unresolved issues of territorial administration. The broader institutional deficit of the country has also been addressed.

**Table 6.** Territorial structures for regional development in Romania.

<b>Regional Development Board</b> <b>RDB</b>	<b>Regional Development Agency</b> <b>RDA</b>	<b>Regional Development Fund</b> <b>RDF</b>
Analyses and decisions over the regional development strategy and the regional development programmes, approval of the regional development projects, submission to the NBRD of proposals concerning the formation of the RDF, approval of the criteria, priorities, allotment and destination of the resources of the RDF, monitoring of the use of the funds allotted to the RDAs from the NFRD, monitoring of the observance of the regional objectives	Elaboration and submission to the RDB of the regional development strategy and programmes and the planning of the management of the funds, implementation of the regional development programmes and the planning of the management of the funds following the RDB's decisions as well as their accomplishment, identification of the disadvantaged areas within the development regions and the submission of the necessary documentation for approval to the NARD and the NBRD, provision of specialized technical assistance for investment in disadvantaged areas, submission to the NARD of proposals to finance the approved development projects out of the NFRD, attraction of financial contributions to the RDF, management of the RDF, correct management of the allotted funds.	Annually made up of: contributions from local and county budgets, financial resources from the private sector, banks, foreign investors, the EU and other international organisations, allotments provided by the NFRD

As far as the Republic of Macedonia is concerned, the country demonstrated a consistent European orientation that had not been supported by a rapprochement with the EU or by the institutionalisation of relations, which remained at an elementary level up to the end of the 1990s. However, the country has elaborated specific institutions to promote its participation in the European integration process (see Table 8). Compared to the respective institutional edifice of Romania, that of the Republic of Macedonia seems at

an embryonic state. However, the lack of assistance and of the need to manage closer relations and financial support has been decisive. Under this prism, the institution building efforts of the Republic of Macedonia are quite indicative of the extent of the impact that aspiration of membership alone can have on the institutional edifice of an aspiring country.

Despite the fact that the impact of the EU support has been limited, it is evident in both local government development and environmental policy-making. It is in fact more extensive in the domain of policy than in the area of institutional structures. The ESDP principles and the EU Cross-Border Cooperation priorities have been included in the National Spatial Plan setting the guiding lines for the whole spatial development of the country. The environmental policy has been elaborated absorbing many of the EU environmental practices and principles.<sup>12</sup> The impact on local government has been significant but again has not led to extensive institution building process.<sup>13</sup> It should be mentioned that the regional development confining conditions of the country have not received EU support. Furthermore, it should be stressed that broader confining conditions, such as the state building process, the extensive minority problems and the bad neighbourly relations have dominated the scene.

**Table 7.** National structures for regional development in Romania.

<b>National Board for Regional Development (NBRD)</b>	<b>National Agency for Regional Development (NARD)</b>	<b>National Fund for Regional Development (NFRD)</b>
Approval of the National Strategy and the National Programme for Regional Development, submission to the government of proposals that concern the formation of the NFRD, approval of the criteria, priorities and the allotment procedures concerning the NFRD, monitoring of the use of the funds allotted to the RDAs out of the NFRD, approval of the use of the structural type funds allotted to the country by the Commission for the pre-accession period, as well as of the Structural Funds	Elaboration of the NDP that contains the national strategy for regional development, drawing up of the principles, criteria, priorities and allotment of resources for the NFRD, proposal to the NBRD of the formation of the NFRD, ensuring of the financial and technical management of the NFRD, promotion of different forms of co-operation between counties, cities, towns and villages, ensuring of specialised assistance to the RDBs in the field of institution building, proposal to the NBRD of the nomination of some areas as disadvantaged areas, acting as the National Negotiator in relation with the DG for Regional Policy and	Annually made up of: state budget for the regional development policy, standing financial assistance within the PHARE programme, amount from the structural type of funds, Structural Funds (once member), financial assistance not to be reimbursed from some governments, international organisations, banks, etc., other financial resources from the funds at the disposal of the government

<p>following accession, monitoring of the accomplishment of the regional development objectives, including the external co-operation activities of the development regions in terms of cross-border, inter-regional, and Euro-regions actions</p>	<p>Cohesion for the EFRD and the Cohesion Fund, management of the funds allotted to Romania out of the EFRD and the Cohesion Fund, co-ordination of the implementation of the National Plan for Regional Development which stands out for the basis of the negotiations with the Commission, and the financing of different EU programmes.</p>	
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No doubt, the impact of the EU on the two countries' regional development has not been the same. This fact is definitely related to the extent to which the EU has promoted regional development in each country, the mechanisms that it has elaborated and the support that it has provided. In the case of Romania, the main financial assistance has been oriented towards tools typical to the EU Structural and Cohesion Funds; regional development and structural changes in the economy have constituted priority subjects in the country's relations with the Union. Better co-ordination, clearer directives, firmer and better-oriented support and visible outcome, in other words more direct involvement, have brought the coveted results of adaptation.

In the case of the Republic of Macedonia, involvement has been much more indirect. Relations are only now taking off the ground, the coveted accession outcome is still not visible, the EU priorities for the allocation of support have a much broader perspective, and despite the framework of the Structural Funds logic, the mechanisms used differ and the directives, when given, are less precise. Moreover, regional development is not promoted as a pre-requisite for accession, but as a less conflicting area (within the functionalist logic of low-politics) for the development of the much-needed regional co-operation in the Balkans.

**Table 8** Macedonia's institutions for European integration.

<p>The Committee for Euro-Atlantic Integrations (policy – making)</p>
<p>The Working Committee for European Integration (counselling, support)</p>
<p>The European Integration Office (co-ordination and management of funds)</p>
<p>The Co-operation Council and Working Groups (consultative – advisory)</p>
<p>The National Coordinative Forum (approximation of legislation)</p>

The policy adaptation and institutional adjustment of Romania are not surprising. However, if one takes into consideration the outcome of the Europeanization research in the member states, which indicates a certain policy adaptation but only limited institutional adjustment, then the extent of institutional adaptation of Romania is something impressive. With the extensive support of the EU, the aspiration of membership effect has been strengthened and led to complex processes of absorption and transformation.

Again, the fact that the Republic of Macedonia is lagging behind in terms of policy and institutional adjustment is of no surprise. What is impressive, however, is the fact that despite the lack of an association status, within a very remote and doubtful accession horizon, with a much more limited and less coordinated support and without directives (not to mention the broader confining conditions that still dominate developments), the country has proceeded towards a certain policy and institutional adjustment in compatibility with the EU norms and practices.

*Conclusion: the need for parallel enlargement and Europeanization at a later stage*

Up to date, the EU has promoted an approach that aims to keep the Balkans (especially the Western Balkans) within Europe but outside the EU institutional core. Regional co-operation has been promoted as an alternative that could create the broader conditions for democracy and market economy, normalise relations, bring minimum stability and facilitate trade, thus opening the way to economic prosperity. However, the Kosovo crisis and the limited success of the Bosnian state demonstrated the shortcomings of this approach and made the EU, in co-operation with other European and international actors, start considering the prospect of Balkan accession and to move towards the institutionalisation of relations. Within this context and following the current practice of transformation prior to accession that characterises the eastern enlargement, the Europeanization of the region according to the EU normative model has automatically become a necessity.

With the EU-orientation and initial enthusiasm having given place to disappointment and frustration, the double offer of institutionalisation and of eventual accession is made as a strong incentive that can keep the Western Balkan states in the EU orbit. However, a whole set of questions emerge concerning the Europeanization capacity of the Balkan states, the democratic character and the effectiveness of the promotion of the specific Europeanization model by the EU, the intermediate period up to accession that seems extremely remote (if not impossible) if realised according to the current practice, and the place of the Balkans in Europe.

a) The Europeanization capacity of the Balkans: Concerning the Europeanization capacity of the region, Romania and the Republic of Macedonia have demonstrated that once aspiration of membership becomes substantial and the European orientation rhetoric is translated into action, systemic and structural accommodation can start. However, in view of the great number of confining conditions that exist in the area, convergence would require a long time, patience and persistence in the Balkans and constant and firm support by the EU. The Balkan countries will have not just



to abandon practices of the past but also to challenge overpowering vested interests in important economic sectors, as well as corruption and criminality. Moreover, societies divided by hatred and war will have to learn to live together, respecting the law and the rights of the others. From the EU side, despite the small size of the Balkan economies, the amount of funds required will be considerable and the real problem will be for the EU to be able in the long run to provide the required resources.

b) Democratic character and effectiveness of imported models: In view of unsatisfied expectations and declining support, it would seem rather undemocratic for the EU to impose a specific economic and political model. It would be more democratic to provide support to the concerned actors for eliminating confining conditions through broader processes that will create a more stable basis for convergence and accommodation. It is not possible to build on a rotten basis. The role of the EU should be to support and not to impose. Within the context of deteriorating conditions and continuing instability, the effectiveness of the incorporation of ready-made models is doubtful. The fact that Bulgaria and Romania are still lagging behind the rest of the CEE countries might be an indication of the need for greater flexibility. In any case, to increase effectiveness the EU should pay greater attention to the Europeanization mechanisms. With reference to contagion, the EU should increase the demonstration effects by safeguarding the prosperity of its population and its democratic character, which means that the EU should rapidly proceed with the necessary internal reforms. With reference to consent, the EU should generate more contacts with Balkan domestic groups, allow their participation in a variety of programmes, committees and meetings, and in short create the networks that will facilitate the required learning and adaptation. Concerning control, the EU should maintain a strong international presence and create the necessary appropriate monitoring mechanisms and tools (e.g. regular reports). Finally, concerning conditionality, the EU should set realistic conditions that can be fulfilled, link them to visible inclusion and allow countries to proceed without being blocked by the lateness of others.

c) Remote accession horizon and intermediate period: Having said all these, there is no doubt that the intermediate period will be considerably long. It should be mentioned that many scientists seriously doubt even the very existence of a second eastern enlargement wave. However, to move away from instability, integration is necessary. And if the Balkans cannot be integrated in accordance with the current practices, then these practices should change or new ones should be introduced to permit Europeanization at a post-accession stage. The need of a parallel enlargement is pressing. Meanwhile, regional co-operation should be promoted but on the basis of the local needs and not of external wishes and economic interests. Working on common projects that could, for example, facilitate the physical integration with Europe (e.g. roads, rail connections) could bring people together. However, regional co-operation should not have an anti-room character and this requires substantial institutionalisation and a visible accession prospect.

d) The Balkans in Europe. Vaclav Havel, at a speech given to the European Parliament said that: *“The idea that there could forever be two Europes – a democratic, stable and prosperous Europe engaged in*

*integration, and a less democratic, less stable and less prosperous Europe – is, [...] totally mistaken. It resembles a belief that one half of a room could be heated and the other half kept unheated at the same time. There is only one Europe, despite its diversity, and any weightier occurrence anywhere in this area will have consequences and repercussions throughout the rest of the continent”* (Havel, 2000). A quarter of a century after the Helsinki accords, the map of Europe has changed to an unimaginable extent. Within the new context, no one denies the European geographical identity of the Balkans. However, there is a fluid dynamic around borders and while their traditional functions retreat (territorial dimension), other functions (functional dimensions) emerge (Ioakimides, 2001:70-89).

It is fairly clear that the EU promoted idea and borders of Europe are very much related to specific politico-economic systems and that Europeanization is, more than anything else, a process of systemic transformation. This systemic transformation has reached the highest level within the EU, is realised quite rapidly within the associate members, and is still at a very low level in the Western Balkan states, which seem to be trapped in a ‘vicious circle’ of economic hardship, political instability and ethnic hatred (Demetropoulou, 2000:197-217). Keeping the Balkans outside the functional borders of Europe is dangerous as the longer it takes a country to join the EU, the greater the risks for the whole project to fail. Without an increased EU commitment, the outlook is poor for the Balkans; the vicious circle will remain, as well as the European border north of the Balkan Peninsula.

## Endnotes

<sup>1</sup> There is a long discussion about the term ‘Balkans’, its geographic delimitation and content. See: Demetropoulou, Leeda. “The Balkans-A multi-dimensional sign within multiple discourses.” *Eurobalkans* 36-37 (autumn–winter 1999): 4-10. Acknowledging the fact that European regions are very intricate and historically changing phenomena and following a combination of current discourses (varying from EU classifications to self-ascriptions), this article adopts a working definition according to which the Balkans consist of the whole of Albania, Bulgaria, and Romania and the successor states of former Yugoslavia with the exception of Slovenia.

<sup>2</sup> See for example: Knill, Christoph. *The Europeanization of National Administrations. Patterns of Institutional Change and Persistence*. Cambridge: Cambridge University Press, 2001; Meny Yves, Muller Pierree and Quermonne Jean-Louis (eds.). *Adjusting to Europe. The Impact of the European Union on National Institutions and Policies*. London: Routledge, 1996; Olsen, Johan P. *Europeanization and Nation State Dynamics*. Working Paper 9/95. Oslo: ARENA, 1995.

<sup>3</sup> Categories based on Huntington’s terminology. See: Huntington, Samuel. *The Third Wave: Democratization in the Late Twentieth Century*. OK and London: University of Oklahoma Press, 1991. For more details on nation–formation see in Agh, Attila. *The Politics of Central Europe*. Sage, 1998.

<sup>4</sup> The list is no way exhaustive. However, it includes some of the more important problems that the Balkans continue to face. It should be stressed that the elimination

of these conditions cannot automatically lead to Europeanisation neither to EU membership. It is rather a necessary, though not sufficient condition.

<sup>5</sup> Although the case of unsettled borders and unresolved minority problems concern firstly FRY and secondly Bosnia–Herzegovina and Croatia, the Kosovo crisis demonstrated the strong impact it can have on the whole of the area. See: IMF. *The Economic Consequences of the Kosovo Crisis: An Updated Assessment*. May 1999; USIP. *De-Balkanizing the Balkans: Security and Stability in Southeastern Europe*. September 1999.

<sup>6</sup> European Commission. “Common principles for future contractual relations with certain countries in South–Eastern Europe.” *COM(96) 476 final*. Brussels, 2 October 1996. Also: European Council. “Conclusions and Policy Paper on former Yugoslavia.” *Bulletin of the EU* 10–1996.

<sup>7</sup> European Commission. “Stabilization and Association Process for countries of South–Eastern Europe, Bosnia–Herzegovina, Croatia, FRY, FYROM and Albania.” *COM(99) 235*. Brussels, 26 May 1999.

<sup>8</sup> Relations between Romania and the EEC had first developed during the Cold War. However, they were frozen during the last years of Ceausescu’s rule.

<sup>9</sup> 1994–PHARE Operational Programme for SMEs and Regional Development/Green Paper; 1997–PHARE Operational Programme on Regional Development Institution–Building; 1998–PHARE Operational Programme on Economic and Social Cohesion; Twinning experiences.

<sup>10</sup> Source: European Commission, DG External Relations.

<sup>11</sup> 1997 and 1999–PHARE Operational Programmes Cross-border Co-operation with Greece; 1997–PHARE Operational Programme Social Sector and Human Resources; 1997–Operational Programmes Agriculture and Natural Resources/Environment Programme; 1999–PHARE Operational Programme Financial Sector.

<sup>12</sup> See: National environmental policy and action plan, environmental framework act, environmental information centre, law on environment and nature protection and improvement/environment fund.

<sup>13</sup> See: Commission for public administration reform, law on local self-government, ministry of local self-government.

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