

2011 European Commission Progress Reports: What's the score for the Western Balkans?

Each year the European Commission (EC) prepares a progress report on each of the candidate and potential candidate countries¹, thus evaluating their progress towards fulfilling the EU accession criteria. On the basis of these documents, the European Council decides at its annual meeting in December about the next steps towards these countries. Despite the general commitment to join the EU, their actual progress remains quite different.

This year it was made clear that Croatia in 2013 will become part of the EU family. The country's progress was expectedly assessed as positive in all fields with a dynamic tempo in implementing the EU reforms. Judiciary and fundamental rights, competition, justice, freedom and security are well in line with the European standards. Although Croatia has a functioning market economy there is some more work waiting to be done in the area of the painful structural reforms, including the reforms in the labor market.

On the other hand, it is much more appropriate to call it a stagnation report instead of a progress report for Bosnia and Herzegovina (BiH). After a whole year without a government, no vital legislation has been passed and with no general consensus of the political representatives on the overall direction of the country, BiH seems to be in a permanent

deadlock. The progress in addressing the political criteria was very limited; little progress was done towards establishing a functioning market economy while some small progress was noted in the aligning of the country's legislation with the acquis. The only really bright spot seems to be the visa liberalization which enables free travel for BiH's citizens to the Schengen area.

Although BiH was celebrating when the Serbian war commander Ratko Mladic was arrested this year, his victims were not the only ones feasting his transfer to Hague. Due to the coming elections, Serbia's democratic government needed badly this reference in the EC's report hoping to be a crucial point for getting a recommendation for a candidacy. It was received mostly thanks to the mentioned arrest and engagement in regional cooperation and reconciliation. However, it remains to be seen if Serbia will manage to persuade the EU governments of its commitment to the long lasting settlement with Kosovo.

For Kosovo, 2011 was marked by general and presidential elections which were seen as highly problematic with serious shortcomings and allegations of fraud. Although the judiciary reform is satisfactory with important judicial institutions set in place, tackling organized crime and corruption remains a serious challenge. No progress has been made towards establishing a functioning market economy while the sustainability of the budget remains questionable. The rule of law is weak, the infrastructure is inadequate and the labor force unskilled. Depending on the progress in readmission and reintegration of returnees, opening of visa-free talks towards the end of the year remains an option.

¹ The candidate countries are Macedonia, Croatia, Montenegro, Turkey and Iceland, while the potential candidate countries are Kosovo, Bosnia and Herzegovina, Serbia and Albania.

Kosovo's neighbor, Montenegro became a new role model for the region. The EC concluded that Podgorica did well and is now completely ready to open accession negotiations. Although there are quite a few challenges left in the field of policy and legislation adoption, as well as in combating corruption and organized crime, the implementation of the Stabilisation and Association Agreement continues smoothly.

Although Macedonia achieved the same satisfactory level as Montenegro few years ago, opening of negotiations remains dependent on a name dispute with Greece instead on the progress done by the country. The challenges still remain in the area of effective implementation of the judicial and administrative reform as well as media freedom and fight against corruption. Macedonia should also focus more on the fiscal governance and the public administration reform.

Unlike Macedonia, Albania remains politically paralyzed due to its inner problems rather than issues with the neighbors. Just like in previous reports, pressing issues remain the same – high level of corruption; lack of reforms implementation; legal acts and structural reforms hampered by the political stalemate; shortcomings in the rule of law; weak infrastructure and lack of appropriate human capital. Despite the bright spots - macroeconomic stability, positive growth and a sound monetary policy, overall progress towards fulfilling the Copenhagen criteria was limited. Therefore, according to the EC the conditions for opening the association negotiations have not been met.

With the north Kosovo crisis, political stalemates in BiH and Albania and the name dispute for Macedonia, the Western Balkans transition's "happy end" is still not at sight. With Croatia soon leaving the group and Montenegro leading in front of the remaining countries, hopefully an atmosphere of positive competition will be established. However, the EU should get more involved in tackling the (miss) usage of the veto

power by member countries when dealing with bilateral questions, since such method threatens to establish an extremely dangerous practice for further enlargements in the region.

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