



Building a New Momentum for the European Integration of the Balkan and Eastern European associated states

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Why a new momentum for EU policies towards both Balkan and Eastern European associated states?

- Because both the EU's enlargement and neighbourhood policies are now unsatisfactory
- Their perceived incentives are too weak or uncertain, risking failure to sustain European orientations
- Political investments by EU in the status quo policies very heavy; change is desirable, but not easy to engineer
- But basis for progressive integration exists, while getting away from 'all or nothing', 'in or out' mindsets

Why compare Balkan and Eastern European associated states?

- Agendas of 'chapters' for enlargement procedures and of Association Agreements/DCFTAs are the same
- AA/DCFTAs have actually moved ahead....
- The Balkans are stuck with procedures for 'opening and 'closing' chapters that do not advance. Revised methodology for 'baskets' of chapters hardly helps.
- The three AA/DCFTA agreements are equivalent to opening all chapters from the beginning in 2014.

Measuring performance of the Balkan and Eastern European associated states

- CEPS in Brussels and partners in the three AA/DCFTA states have compiled detailed ratings for all chapters, published at <https://www.ceps.eu/ceps-publications/balkan-and-eastern-european-comparisons/>
- Results show broad comparability... NB only for 6 Balkans and 3 AA/DCFTAs.
- Of other 3 Eastern Partnership states, Belarus and Azerbaijan are non-comparable as autocracies, & not even members of WTO. Armenia in between.
- Details as follows:

Measurement of ratings

- European Commission source of ratings for Balkans & 35 chapters, for 'opening' and 'closing'
- Ratings coded as 'good', or 'moderate', or 'some' 'preparedness' for EU accession
- Commission does not do this for AA/DCFTAs; we do it for them, to enable inter-group comparisons
- Further, we translate into quantified ratings: 3, 2, 1
- Quantification permits aggregation & averaging
- Where no Commission ratings, other sources used

Weighting of quantified ratings

- Political & rule of law etc. – 5 criteria
- Economic
 - Macroeconomic performance – 1 criterion
 - Trade policies – 9 criteria
 - Economic cooperation – 12 criteria
- Weights
 - Individual criteria within each block get equal weights
 - Averages of three economic sub-heads get equal weights
 - Total political and economic aggregates get equal weights
- Alternative weights, endless possibilities
 - Main concern: avoid overweighting the economic because it has many detailed sub-heads

Figure 1: Total political and economic criteria

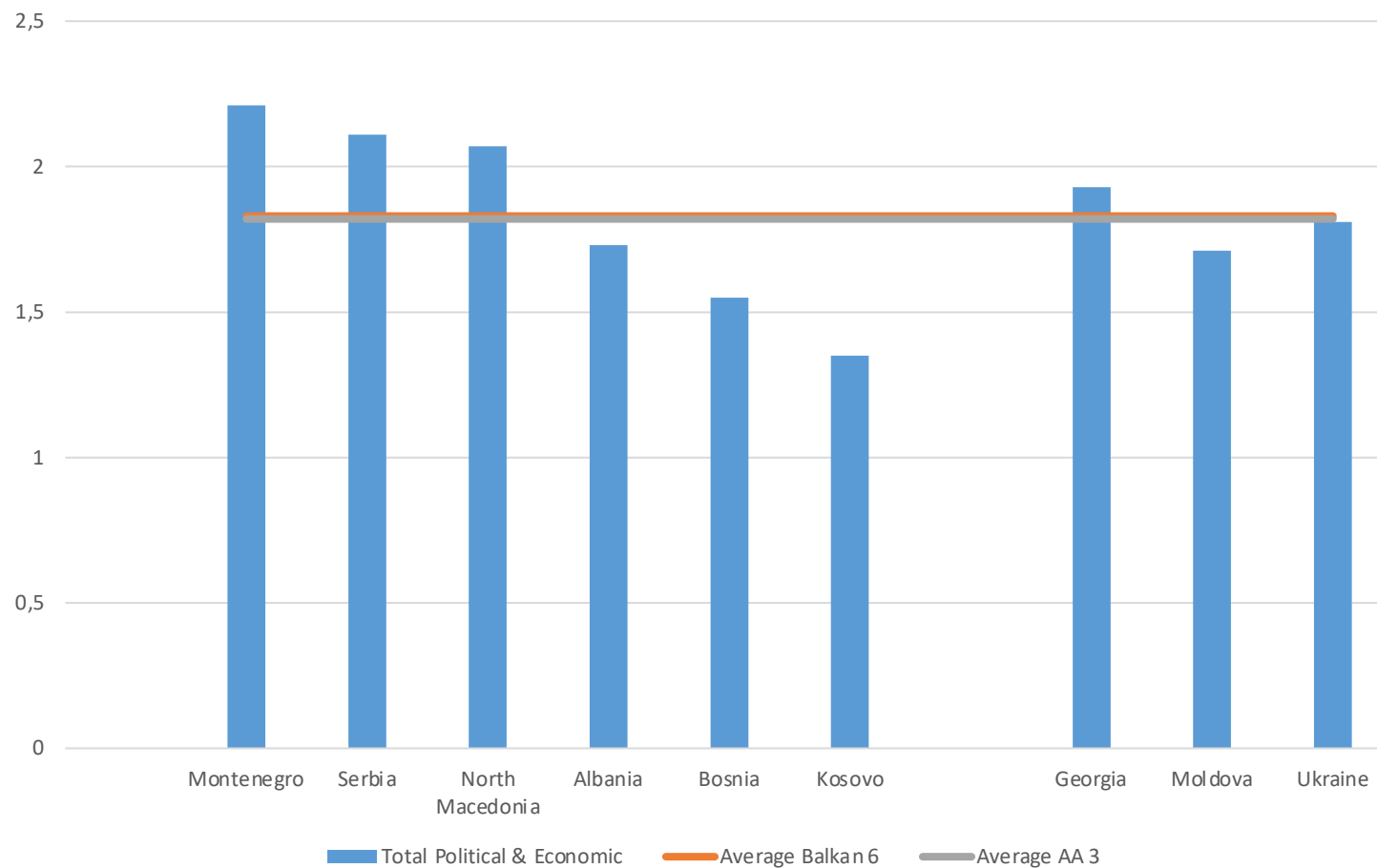


Figure 2: Political & rule of law etc.
(democracy, human rights, rule of law, anti-corruption,
movement of persons)

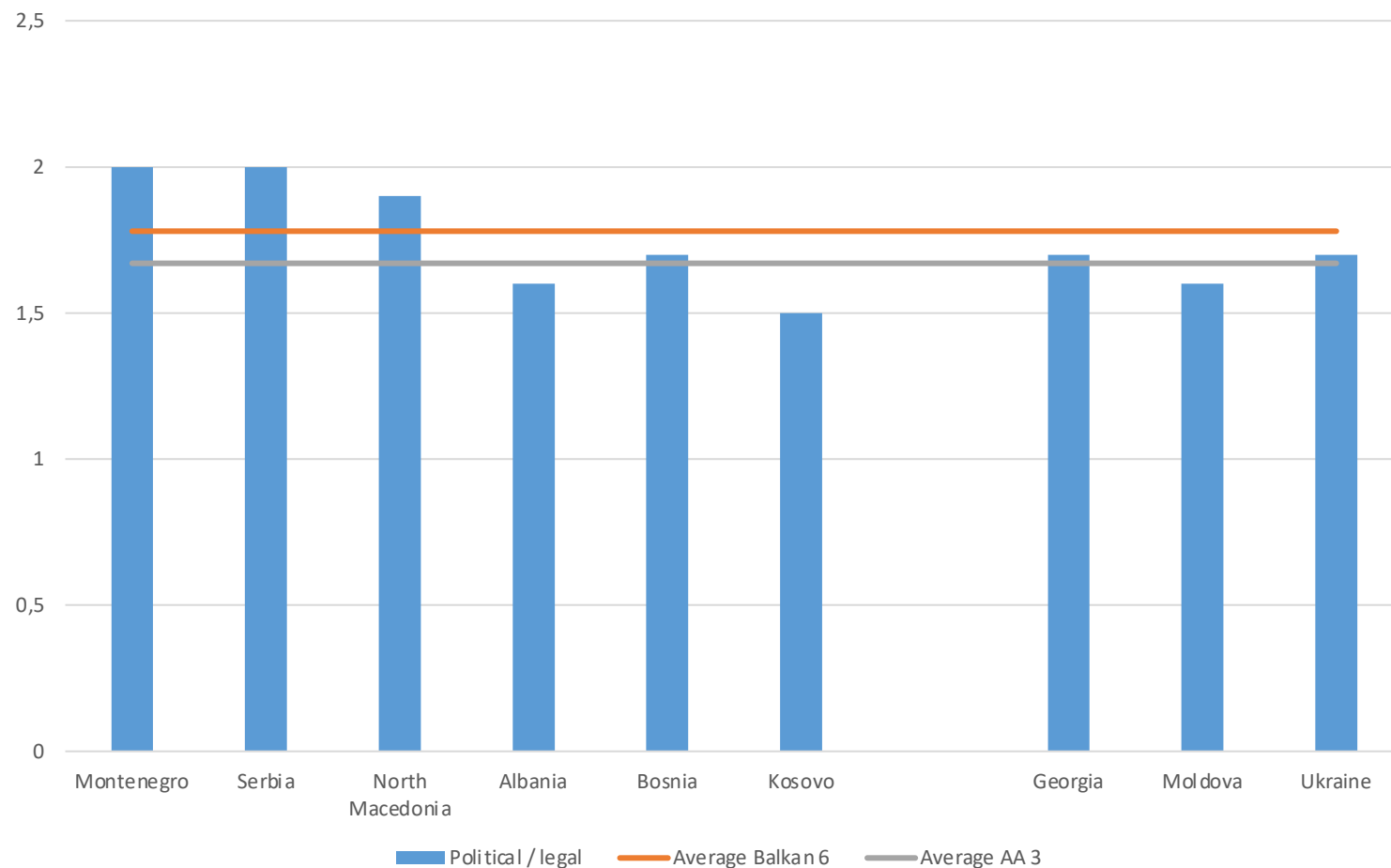


Figure 3: Macroeconomic performance
(GDP per capita, ppp, 2019)

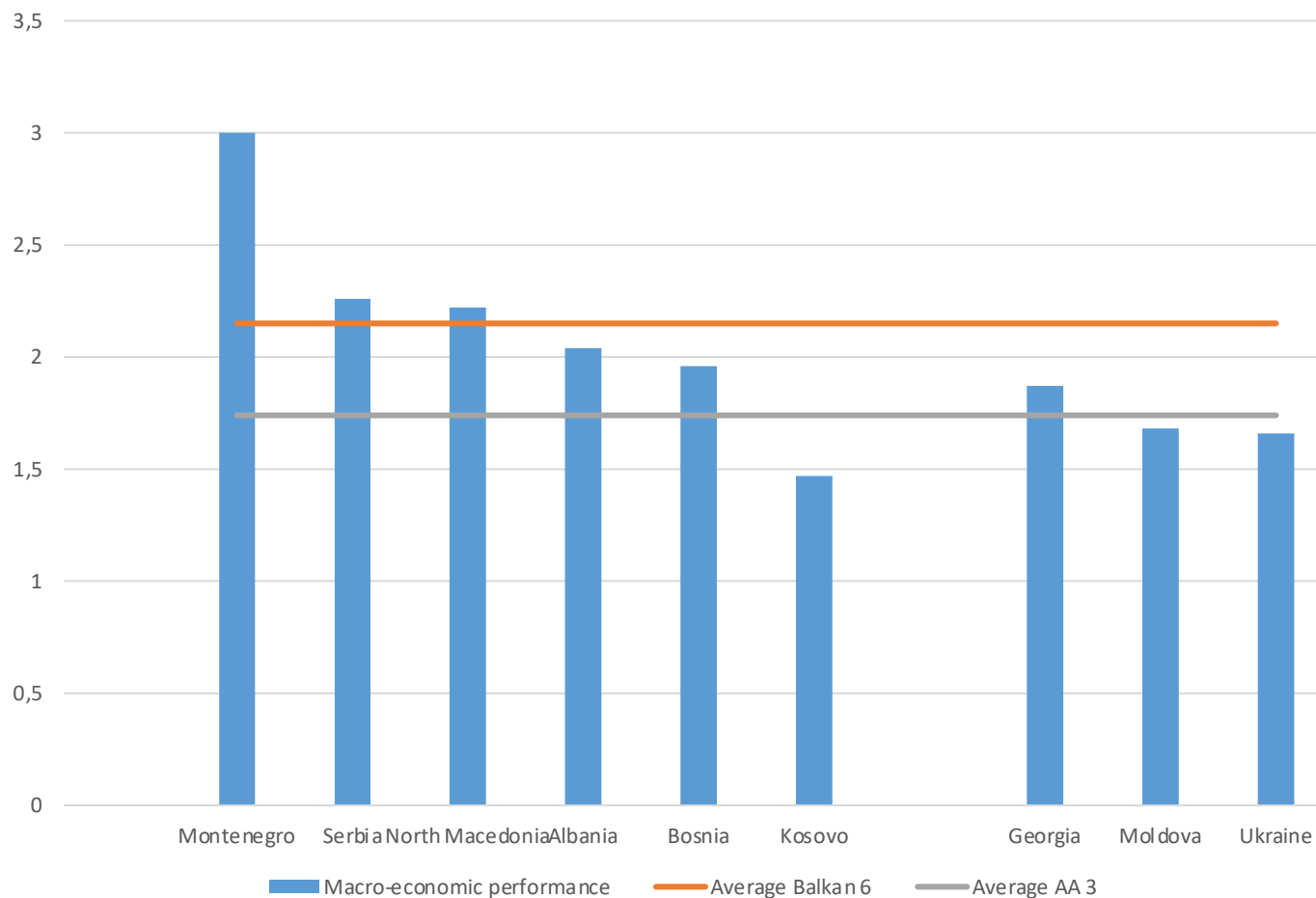


Figure 4: Trade policies
(tariff-free trade, non-tariff barriers, customs, IPR, public procurement)

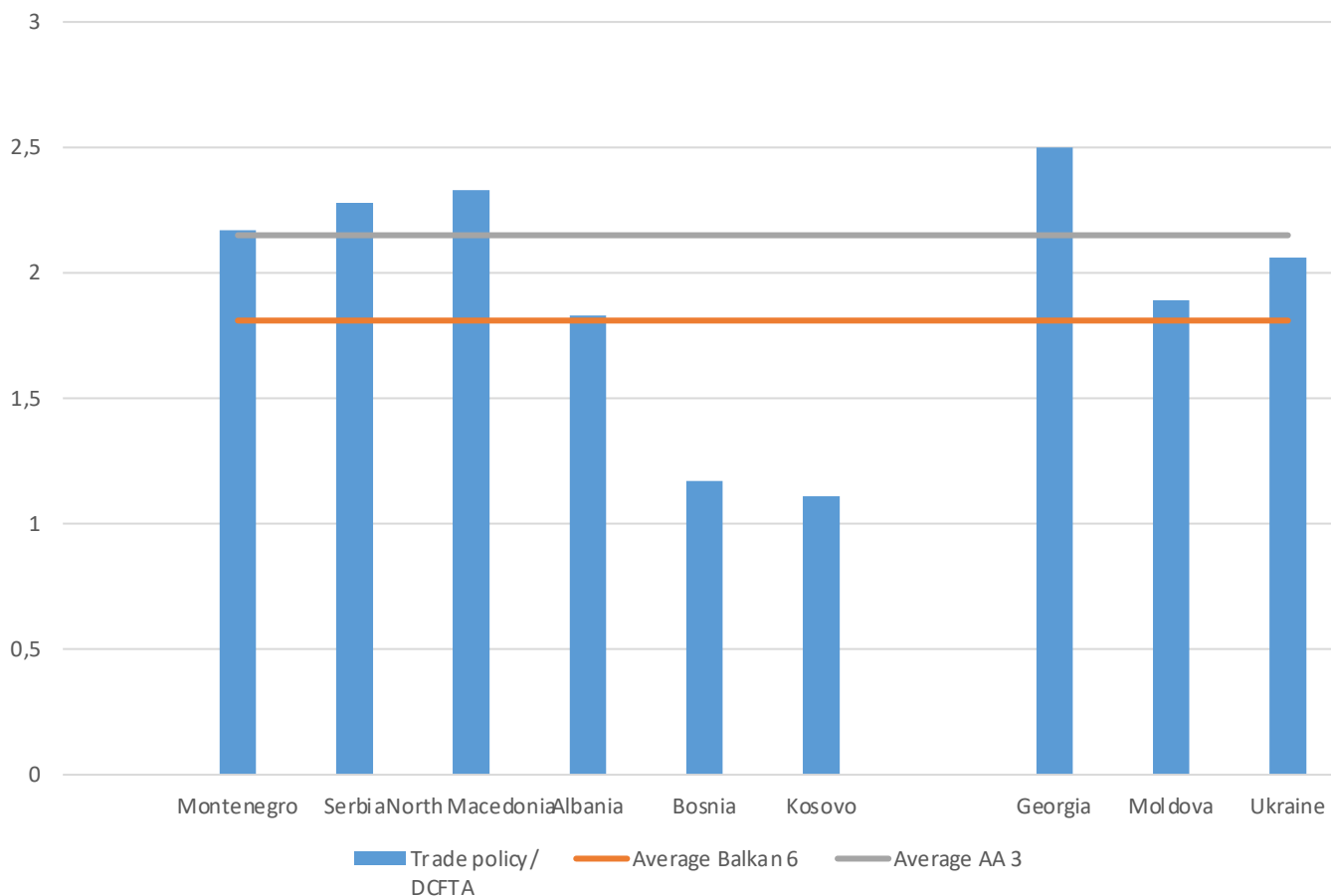


Figure 5: Economic cooperation sectors
(financial, transport, energy, environment, digital, employment, gender, etc.)

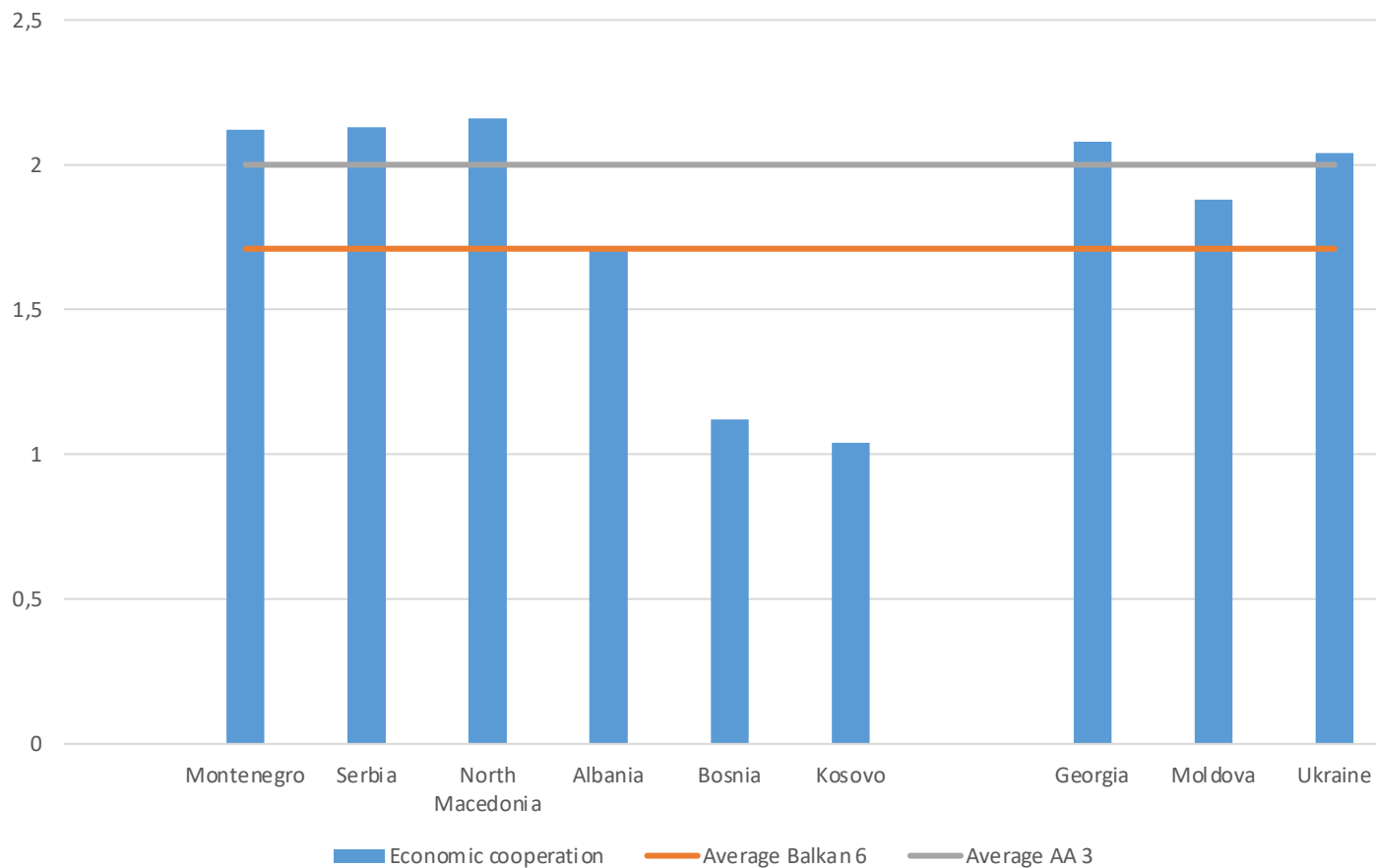
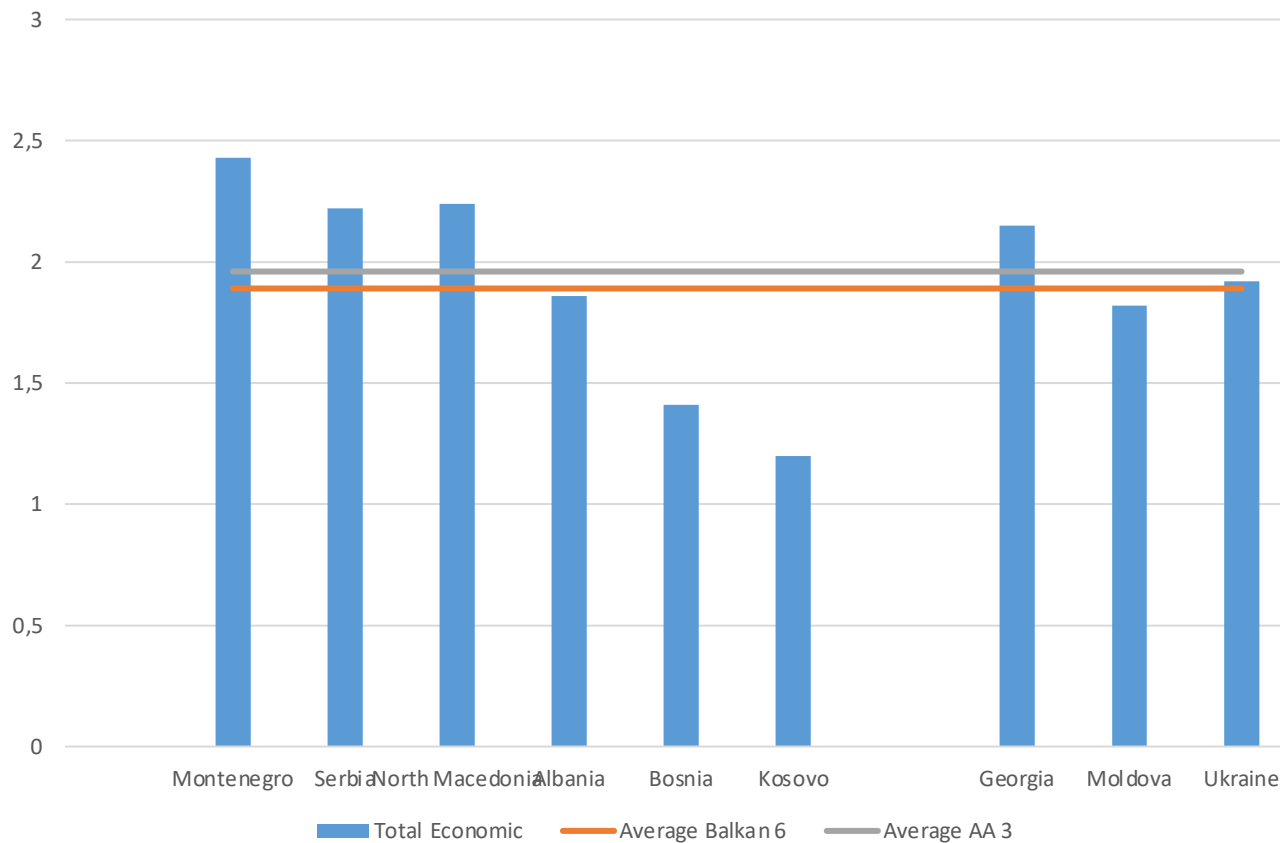


**Figure 6: Total economic criteria
(macroeconomic performance, trade policies,
and economic cooperation sectors)**



What about the other three Eastern Partners?

- Belarus, Azerbaijan, Armenia
- Obvious limitations for comparisons: BY, AZ outright autocracies, & not even WTO members
- 12 of 17 statistical tables include these three
- Armenia comparable to Balkans and AA/DCFTAs
- Belarus top GDP per capita & education
- EBRD transition indicators, all groups comparable

Increasingly convergent policy sets

- The EU insists ... the Balkans have ‘membership perspectives’, while the East European associates do not.
- Doctrine out of date. Accession of Balkans not on horizon, Eastern Europeans advance.
- At the same time the EU increasingly applies the same instruments of policy to both groups, e.g.:
 - European Energy Community
 - Covid-19 assistance
 - Many other examples (agencies and programmes)

Some positive ideas on the move for AA/DCFTAs

- Idea of deeper sectoral integration takes root, with strong push from Ukraine.
- Original idea, join the 3 'unions' – energy, digital, customs.
- Further developments discussed: banking union, cyber security, Green Deal. Internal market as a whole.
- In all cases conditioned on compliance with sector specific norms and laws of EU.
- Sectoral and regulatory integration can advance...

Conditionality for progressive access to structural funds and institutional integration

- Return now to the quantified ratings methodology
- Can make operational 'more for more' slogan, so far too vague to be credible
- Basis for progressive build up of:
 - Deeper sectoral integration (Green Deal, digital, etc.)
 - Structural Fund type of funding
- And more complex: institutional integration....

Take the EU institutions one by one

- Toughest nut to crack: voting at Council of ministers
- Poland and Hungary veto threats deeply damaging
- But policy dialogue with sectoral Councils possible, as for EEA, and as proposed by GE/MD/UA; Berlin process for Balkans
- European Parliament much 'easier', numbers big in any case, and no unanimity voting.
- EU consultative committees (EESC, Committee of Regions even easier)
- EU Agencies, already happening, conditionally

A new integration perspective for aspiring states

- Break away from brutal ‘in’ or ‘out’ regimes
- Instead: partial and progressive institutional integration, on top of sectoral and regulatory integration
- Builds on existing EU practice for ‘differentiated integration’
- Key role of objective, substantial and credible conditionality
- Time horizon can stretch many years ahead, as long as there is a credible long-term vision starting now