

Three Contradictions with E.U. — Deepen or Ease

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Abstract: After the end of the Cold War, South-Eastern Europe became the most unstable regions in Europe as the spectra of “Balkanization” lingered once again in Europe. Following the Kosovo War, Europe’s strategy for this region of Europe became increasingly clear. The possibility of the European Balkan had opened, and Europe had made the regionalization of the Balkans an integral part of its long-term strategy. South-Eastern European (SEE) countries, the “Great Black Sea-rim” and the European Union (E.U.) were moving towards the sustainable development goals of a partnership to promote the process of a substantial institutional divide between South-Eastern Europe and the E.U. Meanwhile, the different attitudes towards trading with China, the controversy of multi-speed Europe and accession progress will be the major challenges in the future. This paper predicts the relationship between the E.U. and SEE countries, as they face challenges. The three contradictions are analyzing historical origins and current relationship between the E.U. and SEE countries.

Key words: European Union; South-Eastern European countries; China; accession; multi-speed Europe

JEL codes: F5

1. Introduction

South-Eastern European (SEE) countries locate in the Balkans, known as the European powder keg. Most of them were members of the Eastern European Socialist Camp during World War II or Cold War. In 1990s, with the violent dissolution of Soviet Union and Yugoslavia, SEE hadn’t only been the European countries in the geographical conditions any more. In order to develop and strengthen, to better integration into Europe, to return to Europe, SEE countries have started a series of reforms to emerge from the Soviet model and embarked on independent transition and development. Yin Hong and Wang Zhiyuan (2013) showed that these reformations were likely to the democratic political reforms in preference to the market-oriented economic reforms, in which the E.U. is the main external influencer (James A. Baker, 2002).

In fact, the concept of “South-Eastern Europe” or “Western Balkans” is the product of the process of European integration which is also relevant to the complex interaction between the countries of the region and the E.U. Besides, based on its strategic location and with the highly development of globalization and regional integration, it is worth to concern the relationship between the E.U. and SEE, and track how far it’s come and where it’s going. However, previous research paid more attention to European integration, the transformation of Central and Eastern European countries, the Europeanization of the Balkans, the E.U. and the Western Balkans, the E.U. and the countries of Central and Eastern Europe. There is a lack of research on the relationship between

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the E.U. and SEE countries, let alone their contradictions. Hence, this article will summarize the three contradictions between the E.U. and SEE countries and predict how they are going.

2. Three Contradictions Between E.U. and Southeast Europe

2.1 Road Controversy: disagreements on Multi-speed Europe

On 1st March 2017, European Commission President Juncker issued “White Paper on the future of Europe-Five scenarios” at the European Parliament. One of the scenarios with a promising title “Those who want to do more, do more”. has attracted much attention. It is similar with the meaning of “Multi-speed” Europe. Indeed, multi-speed Europe is currently a reality, with only a subset of EU countries being members of the eurozone and the Schengen area. But now it focuses more on a “coalitions of the willing”, jointing effort in fields such as defence, internal security and social policies. However, Zhang Xiaotong & Lai Yangmin (2018) pointed that Europe has formed a “Central-Edge” structure while Southern and Central and Eastern Europe are both marginal and semi-marginal, either geography or economic. Some of these countries worried that the policy would extend the gap, especially after France, Germany, Italy and Spain supported the scenario in the informal talks in France on March 6th which indicated that “multi-speed Europe” would be on the agenda (Martina Vetrovcova, Sebastian Harnisch & Liu Luxin, 2019). Therefore, they have made some arguments with E.U. countries on how to develop in the future. The Xinhua News Agency (2017) reported most countries in Central and Eastern Europe and South-Eastern Europe didn’t fully agree with the concept of “multi-speed Europe”. For example, Romanian President Johannes and Prime Minister Grindeanu made it clear on the 7th March 2017 that Romania opposed “multi-speed Europe”.

2.2 Policy Controversy: disagreements on cooperation with China

On 10th April 2019, Association of Fundraising Professionals (AFP) reported that although EU countries has accounted for over 70% of direct investment in the Balkans, China has also been investing aggressively and heavily in the region over the past six years. Besides the construction of many infrastructure, Chinese banks have also provided large sums of money for relevant projects in SEE countries. As “One Belt, One Road” progresses, China’s economic partners are increasing in Europe. In particular, China’s cooperation with the Balkan countries in infrastructure has been enhanced and gradually expanded to other areas, which has given E.U., the biggest and the most significant partner all along, a sense of crisis. So some western officials has worried that China is exacerbating divisions within the European Union by enterprisingly courting the nations on eastern and SEE flanks (Marc Santora, 2019). Philippe Le Corre (2019), a senior fellow at Harvard Kennedy School, said China was clearly doing much better in five Western Balkan countries that were not part of the E.U. Meanwhile, he called on Brussels to work hard to get those countries into the fold. FranÇois Godement (2019), a senior Asia expert at the Institute Montaigne in Paris, said “The European Commission suggests that Europe should change track and adopt a set of robust defensive policies, some of which will have an effect whatever China’s response may be.” To a large extent, it urged the European Commission published the “EU-China, a Strategic Outlook” in March 2019. The document not only called China a natural partner, but also labelled China as a “strategic competitor” and a “systemic rival”. It was indicated that China made an unfair treatment of European companies because China has failed to open its markets, and its foreign investment behaviors has weakened the rule of law and damaged human rights. It also made a list on how to strengthen cooperation in the area of agreement with China and build “more balanced and mutually beneficial economic relationship”.

It can be seen the E.U. keeps an eye on commercial intercourse between China and SEE countries. The Government of Bosnia and Herzegovina ratified China's loan guarantee for the Tuzla coal-fired power plant in March 2019, but it was criticized by Johannes Hahn, the European Commissioner for European Neighborhood policy and Enlargement Negotiations. In addition, the Energy-European Commission stated the loan guarantee constituted the national aid which was against the subsidy policies. However, as the E.U., the World Bank and other banks reduce financing for coal projects, more and more Balkans countries are turning to China for capital.

2.3 Accession Controversy: Disagreements on Criteria

For more than 20 years, the countries of South-Eastern Europe have been keen to return to Europe and join the E.U. It's an important symbol of returning to Europe and transforming successfully. A statement "The Future of the Balkans" issued by the European Council at the Thessaloniki Summit in 2003 gave a powerful boost to the region to do a series of revolutions on economic and government institutions at the beginning of the 21st century. However, accession negotiations usually take years, and candidates must meet all requirements from the E.U. in the political, economic and judicial areas before they can formally join. Nowadays, many SEE countries still have a lagging accession process in general.

Besides, Tian Xiaojun (2018) stated that SEE countries and the E.U. also have some differences on issues such as nationality, religion and territorial integrity which is difficult to reach an agreement. The first is the border dispute between the Western Balkan countries. The E.U. insists that candidate countries should resolve their unsolved frontier incidents before joining the bloc and cannot bring them into the E.U. It has pointed out Serbia cannot join the E.U. until it normalizes relations with Kosovo. Secondly, another problem that constrains the accession is the prevalence of corruption and organized crime in the region. Based on E.U. standards, Albania and Macedonia need further reforms in reinforcing law and combating organized crime. Finally, it is the popularity of different countries to join the E.U. In fact, not all citizens of the Balkans support E.U. membership. The increasingly complex situation and uncertain future in the Balkans is shattering citizens' illusions and arousing public dissatisfaction with the political elite.

According to a poll from Faktor Plus, a preeminent pollster in Serbia, more than 50% of voters believe the country should orient itself to the E.U., but a percentage of them choose Russia. And Vladimir Putin remains the most trusted and popular foreign leaders among Serbia. At the same time, with the advent of European debt crisis, Brexit and refugee problem, a fatigue of E.U. expansion is on the rise. At a EU-Balkans summit in Bulgaria in May 2018, French President Emmanuel Macron said that enlargement has "weakened Europe every time" which reflects the phenomenon. It's easy to find that there many difficulties and frequent contradictions on the way to joining the league. Traditional safety problems and non-security problems coexist.

3. Trend: Deepen or Ease

Will these contradictions deepen or ease? And where is the relationship between E.U. and SEE countries going? In terms of SEE countries, they have always had a priority target: join the European integration, join the E.U. "Although the difficulties and obstacles of promoting internal reform and adapting to the 'conditionality' of the E.U. are increasing appearing, they still joint their effort to accelerate the accession speed." Xu Gang (2019) also said, "more and more responsibilities and demands are put forward to the E.U." So it is not difficult to find that objecting the third scenario is for the purpose of seeking equal status as well as avoiding marginalization. Besides, it is vital for some SEE countries to emphasize and support the cooperation with China due to limited

methods of funds. To some extent, it is also an act of protecting national sovereignty. From the view of the E.U., it is facing various risks such as euro crisis, the Ukraine crisis, refugee problem and terrorist attacks, particularly internal contradictions of expansion and deepening. But the goal of “holding on to the Balkans and preventing these countries from derailing” and the approach of “giving prospects but strict control” have never changed (André De Munter, 2019).

There is no doubt that SEE is part of Europe in the geographic position but it is also a hotly contested spot for the E.U. to safeguard. If the SEE countries do not receive more commitments and incentives from the E.U., the impetus to reform may be reversed or even disappeared. Then the contradictions between them is possibly deepen and the situation may be out of control. Thus, in the future, the countries of South-Eastern Europe will continue to call on the E.U. to fulfil its responsibilities and stress the speed of accession. In addition, Xu Gang (2019) analyzed that the E.U. will maintain “virtual-real combination” policy in a long-term and strive to regulate the accession to the “speed and passion” result from inner troubles and divergence.

These three contradictions will change with the development of relationship and evolution, however, the disposition towards them is good.

4. Conclusion

In short, the prospects of relationship and its recognition are the cornerstones between the E.U. and SEE countries; the contest between responsibility and obligation will become the new normal in relations between the two sides; reforms of the E.U. and SEE countries will be a principal theme in the relationship

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