

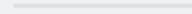
# Political Impacts of the Stabilisation and Association Agreements: A comparative study

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Political Impacts of the Stabilisation and Association Agreements: A comparative study

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# POLITICAL IMPACTS OF THE STABILIZATION AND ASSOCIATION AGREEMENTS: A COMPARATIVE STUDY

## Introduction

The Stabilization and Association Process (SAP) for the Western Balkans was launched in 1999.<sup>1</sup> Since then, the so-called Stabilization and Association Agreements (SAAs) have formed the backbone of the European Union's Enlargement Policy in the region. The agreements encapsulate a framework for cooperation and set benchmarks for future reform, covering an expansive scope of economic, political and administrative criteria.

This policy report focuses on the impact of the existing agreements purely in regard to the political aspect. The economic impacts of signing an SAA have predominantly been the focus of several studies. However, their political impacts, which are arguably more important, have been relatively unaddressed. Thus, by comparatively assessing the way in which the political system of those countries that have engaged in the SAA process has changed, the report aims at establishing a baseline against which consider the specific situation of Kosovo.

The process of political comparison will involve not only the European Commission's progress reports but third-party organization evaluation in order to get an all-encompassing impression. The overarching aim however is to inform on the likely challenges that Kosovo will experience implementing its SAA with the Union.

Before the negotiations started, Kosovo had seen some years of stagnation and even regression on its transition.<sup>2</sup> However, in a very promising start, ever since the SAA was signed, that trend has been reversed, with some incremental progresses taking place, even though the situation is still far from ideal.<sup>3</sup> This evolution is not surprising, and the analysis shows that more often than not, the developments in Kosovo are part of wider trends in the region. Thus, in order to foresee which challenges may lay ahead, it is convenient to take a look into those other countries which have been involved in the process for years.

## What is an SAA?

In its simplest form, an SAA is a framework to implement the Stabilization and Association Process (SAP). More precisely, it is a contractual agreement, specific to each country, the primary aim of which is to establish free trade and identify common political and economic objectives that can be achieved through regional cooperation. In previous instances SAAs have served as the basis for the accession process to the EU.

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<sup>1</sup> European Commission, *Communication on the stabilisation and association process for countries of South-Eastern Europe - Bosnia and Herzegovina, Croatia, Federal Republic of Yugoslavia, former Yugoslav Republic of Macedonia and Albania*, COM/99/0235 final, Brussels, 26 May 1999, available <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:51999DC0235&from=EN> (accessed 02/05/2017)

<sup>2</sup> "Kosovo's negative trajectory in the past three years suggests that it could stray even further from European norms." Freedom House, *A Democratic Scorecard for the Western Balkans*, 2013, available <http://www.freedomhouse.org/blog/democratic-scorecard-western-balkans> (accessed 26/04/2017)

<sup>3</sup> "Kosovo saw small improvements in the judiciary, independent media, and corruption in 2016. There has been no systemic change, however, and political actors continue to show authoritarian tendencies." Freedom House, *Nations in Transit 2017: Kosovo Country Profile*, 2017, available <https://freedomhouse.org/report/nations-transit/2017/kosovo> (accessed 26/04/2017)

Prior to the signature of an SAA, relations between the EU and the candidate country have to be well developed, so the European Commission can issue a Feasibility Study with a positive recommendation. The Study aims to identify whether SAA negotiations are impeded by any legal implication and whether an SAA is likely to be implemented by the candidate country. This invariably involves ascertaining the areas in which the candidate country has made progress in aligning their policy to that of the EU, and those in which more progress is required.<sup>4</sup>

SAAs are seen as the closest formal relationship any State can have with the EU short of outright membership; as such, they contain deep multi-faceted cooperation. The motivation for engaging in the SAA process can be thought of in several categories; economic, political and cooperative. For Kosovo, “the Europeanisation process is about more than just adopting the EU *acquis* and meeting EU norms and standards”; it implies a deep and comprehensive transformation of the country.<sup>5</sup>

SAAs formalize an economic timetable of increasing interaction with the European Single Market; the most apparent benefit of which is opening an economy to free trade with the Member States. Politically, SAAs have been the catalyst for dramatic political reform supported in large part by the EU with funds, advice and cooperation with both the European Institutions and the Member States.

Lastly, in terms of cooperation, the existence of an SAA indicates a strengthening of relations with the EU. In that sense, SAAs confirm the “European perspective” of candidate countries; that is to say, they endorse and conform to the ideals and principles of the EU, adopting a similar approach to tackling eventual issues. The Agreements are designed as a step towards accession, and in 2013 Croatia became the first of the countries included in the SAP to reach that point, sending a strong message to the others.

Regarding the process of negotiation, SAAs have taken a varying length of time to be finished, although on average they have been concluded in around two years. The last one, that of Kosovo, was negotiated in almost exactly two years, and its signature signalled the conclusion of the SAP, as from that moment on, all countries in the Western Balkans were party of such an Agreement.

The table below illustrates the timelines of the existing SAAs, from 2000, when negotiations were opened with Macedonia, to 2016, when the Agreement with Kosovo entered into force.

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<sup>4</sup> European External Action Service, *What exactly is an SAA?*, 2017, [https://eeas.europa.eu/headquarters/headquarters-homepage/18469/what-exactly-saa\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/18469/what-exactly-saa_en) (accessed 26/04/2017)

<sup>5</sup> Government of Kosovo, *Action Plan on negotiation of the Stabilisation and Association Agreement*, Pristina, December 2012, p. 2, available: <http://www.mei-ks.net/repository/docs/Anlisht.pdf> (accessed 02/05/2017)

<b>Year</b>	<b>Macedonia</b>	<b>Croatia</b>	<b>Albania</b>	<b>Montenegro</b>	<b>Bosnia and Herzegovina</b>	<b>Serbia</b>	<b>Kosovo</b>
2000	Negotiations opened	Negotiations opened					
2001	Signature	Signature					
2002							
2003			Negotiations opened				
2004	Entry into force						
2005		Entry into force		Negotiations opened	Negotiations opened	Negotiations opened	
2006			Signature				
2007				Signature			
2008					Signature	Signature	
2009			Entry into force				
2010				Entry into force			
2011							
2012							
2013		Croatia joins the EU				Entry into force	Negotiations opened
2014							
2015					Entry into force		Signature
2016							Entry into force

Being SAAs unique to each country, the process of negotiating, signing, ratifying and implementing in each country has also had their own characteristics. Although it is a structured process, there is no specific deadline in which to complete it. Furthermore, the process of ratification can further delay the implementation of the agreements, since it usually involves all EU Member States.

In that sense, there are two outstanding examples. The first one is Bosnia and Herzegovina, whose Agreement was blocked for six years by the Union despite having been ratified by all Member States, since it considered the country did not meet pre-condition criteria. It would not be until December 2014 when the Council agreed on starting the implementation of the SAA after receiving renewed commitments and a positive report from the Commission.<sup>6</sup>

<sup>6</sup> Council of the European Union, *Council conclusions on Bosnia and Herzegovina*, Brussels, 15 December 2014, available <http://www.consilium.europa.eu/en/meetings/fac/2014/12/15/> (accessed 03/05/2017)

The second one is Kosovo, as the respective SAA was concluded, unlike in all other cases, after the Lisbon Treaty conferred legal personality to the EU.<sup>7</sup> This allowed its consideration as a treaty affecting only EU competences, thus avoiding ratification from all Member States. Since that would have also included those that do not recognize Kosovo, it could have derailed the ratification process. However, such status required only the European Parliament and the Council to intervene. Thus, the procedures were completed by February 2016, and the Agreement entered into force in April, making this the quickest ratification of the SAP.<sup>8</sup>

Nonetheless, all SAAs have followed a very similar structure, with the aims of the agreement being stated at the outset. These generally revolve around strengthening democracy, rule of law and institutional stability; developing close and harmonious political relations and economic cooperation; whilst supporting the functioning of a market economy. In order to assess their political impact, it is useful to take into account the agreements formal aims, which have evolved with time. Macedonia's SAA signed in 2001 states four aims:

1. to provide an appropriate framework for political dialogue, allowing the development of close political relations between the Parties;
2. to support the efforts of the former Yugoslav Republic of Macedonia to develop its economic and international cooperation, also through the approximation of its legislation to that of the Community;
3. to promote harmonious economic relations and develop gradually a free trade area between the Community and the former Yugoslav Republic of Macedonia;
4. to foster regional cooperation in all the fields covered by this Agreement.<sup>9</sup>

This is contrasted with Kosovo's SAA, signed in 2015, that lists 7 objectives:

- a) to support the efforts of Kosovo to strengthen democracy and the rule of law;
- b) to contribute to political, economic and institutional stability in Kosovo, as well as to the stabilisation of the region;
- c) to provide an appropriate framework for political dialogue, allowing the development of close political relations between the Parties;
- d) to support the efforts of Kosovo to develop its economic and international cooperation, should objective circumstances so permit, including through the approximation of its legislation to that of the EU;
- e) to support the efforts of Kosovo to complete the transition into a functioning market economy;
- f) to promote harmonious economic relations and gradually develop a free trade area between the EU and Kosovo;
- g) to foster regional cooperation in all the fields covered by this Agreement.<sup>10</sup>

This drafting concurs with that of the two previous Agreements, those of Serbia and Bosnia Herzegovina, both signed in 2008. The sole difference is the adding of "should objective

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<sup>7</sup> European Commission, *EU starts the Stabilisation and Association Agreement negotiations with Kosovo*, Brussels, 28 October 2013, available [http://europa.eu/rapid/press-release\\_MEMO-13-938\\_en.htm](http://europa.eu/rapid/press-release_MEMO-13-938_en.htm) (accessed 03/05/2017)

<sup>8</sup> Official Journal of the European Union, *Information relating to the entry into force of the Stabilisation and Association Agreement between the European Union and the European Atomic Energy Community, of the one part, and Kosovo \*, of the other part*, L 78/1, 24 March 2016, available [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22016X0324\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22016X0324(01)&from=EN) (accessed 03/05/2017)

<sup>9</sup> Council of the European Union, *Stabilisation and Association Agreement between the European Communities and their Member States, of the one part, and the former Yugoslav Republic of Macedonia, of the other part*, Brussels, 26 March 2001, p. 7, available at: [https://eeas.europa.eu/sites/eeas/files/saa03\\_01\\_en.pdf](https://eeas.europa.eu/sites/eeas/files/saa03_01_en.pdf) (accessed 27/04/2017)

<sup>10</sup> Council of the European Union, *Stabilisation and Association Agreement between the European Communities and their Member States, of the one part, and Kosovo\*, of the other part*, Brussels, 2 October 2015, p. 9, available at: <http://data.consilium.europa.eu/doc/document/ST-10728-2015-REV-1/en/pdf> (accessed 27/04/2017)

circumstances so permit” in point d), a mention to the specific situation of Kosovo, which faces an extra obstacle compared to them, in the form of lack of universal recognition.

Although the number and wording of those aims included has varied over time, the ultimate goals of the Agreements have remained pretty much the same; broadly focused on deeper cooperation, strengthening democracy, promoting harmonious economic relations and creating a framework for political dialogue. As a result, their political impacts are wide and varied, making measuring all the ramifications challenging. However, for the purposes of analysis, they can roughly be divided into three categories; political efficiency, political accountability and political cooperation.

## Measuring SAA Impacts

As stated, the political impact for an SAA can be broadly categorised into three areas; efficiency, accountability and cooperation. At first sight those categories seem self-explanatory, but measure them is in no way straightforward. For example, by what means can political efficiency be assessed? By considering different, more limited in scope indicators, a broader picture can be ascertained for each case. Thus, while there is no single indicator analysing the level of fulfilment of the aims of an Agreement, considering the evolution of the country from the moment it entered a relation with the EU allows for the formation of a sense of efficiency. In terms of political accountability, measures such as accountability, transparency and corruption in the country are good indicators of how liable stakeholders are within the political system and how democratic the country is as a whole. Political cooperation is perhaps the hardest variable to quantify, but still, some assumptions can be made regarding the level of cooperation of a certain country by appraising peace indexes, its minority cohesion and regional initiatives.

With that proviso, this section aims to analyse political impact using various sources to construct an informed picture of the true situation within SAA countries. There are, however, some considerations to think of regarding the impacts of the SAAs. The first one is to recognise that, whilst SAAs are signed directly with third party countries, they affect neighbouring countries and can stabilise the region as a whole; thus there are impacts attributable to a particular SAA and there are impacts attributable to the wider Stabilization Process in the Balkans. Consequence of this is the fact that, when considering recommendations for Kosovo (the last country in the region to sign an SAA), the direct effects from the agreement must be accounted for alongside the regional narrative.

Thus, since Kosovo joined the SAP almost a decade after its neighbours, and fifteen years after the first Agreement was concluded, it starts in a comparatively advanced position within a relatively stable Western Balkan region, compared with the context Macedonia and Croatia found themselves in in 2001. Therefore, for each set of data a distinction is made between the value for Kosovo, in blue, and a ‘regional average’, composed by the values assigned to the other six SAP countries, in black. In certain cases, where information for Kosovo is not measured by the same institution, only the regional average is presented, to avoid distorting the comparison. This allows establishing a contrast between the general trend, serving as a baseline, and the specific case of Kosovo. When necessary, the case of other specific countries will be outlined for more information.

In most cases, the time scale is depicted relative to the signature of the Agreement, which has been dubbed as ‘Year 0’ to represent trends. Thus, it varies from country to country; it will be 2001 for Macedonia and Croatia, while it represents 2015 for Kosovo. In these cases, the analysed data cover from -3, that is, three years before the signature of the Agreement, usually the moment when negotiations started, to 10, a full decade later. It is worth noting, though, that Serbia and Bosnia

and Herzegovina are at the moment of writing this paper on their ninth year since their respective SAAs were signed. Furthermore, data may not be always available for Montenegro and Albania, as certain statistics have not yet been published for 2016. Thus, in some cases, where this frame would be less useful, calendar years are employed instead, showing the situation in specific moments of time.

## Political Efficiency

Since the final objective of an Agreement is to prepare the signatory country to engage in a contractual relation with the Union, SAAs involve, by design, significant reform of the political sector of said country. The extent to which this reform is implemented is a measure of the efficiency and effectiveness of the political system to actualise real change. Political efficiency can then be thought of as the quality of the political system's functioning, and in the context that is relevant here, as the evolution of that quality.

It can be assumed that both the EU and the third country have certain goals they wish to achieve through the Stabilization Process; these range from economic policy goals (i.e. economic growth) to democratic quality goals (i.e. free speech, freedom of religion, etc.). Thus, political efficiency is directly related to the fulfilment of those goals. A composite view of the area is taken to accurately determine each category.

## Effects on freedoms and rights

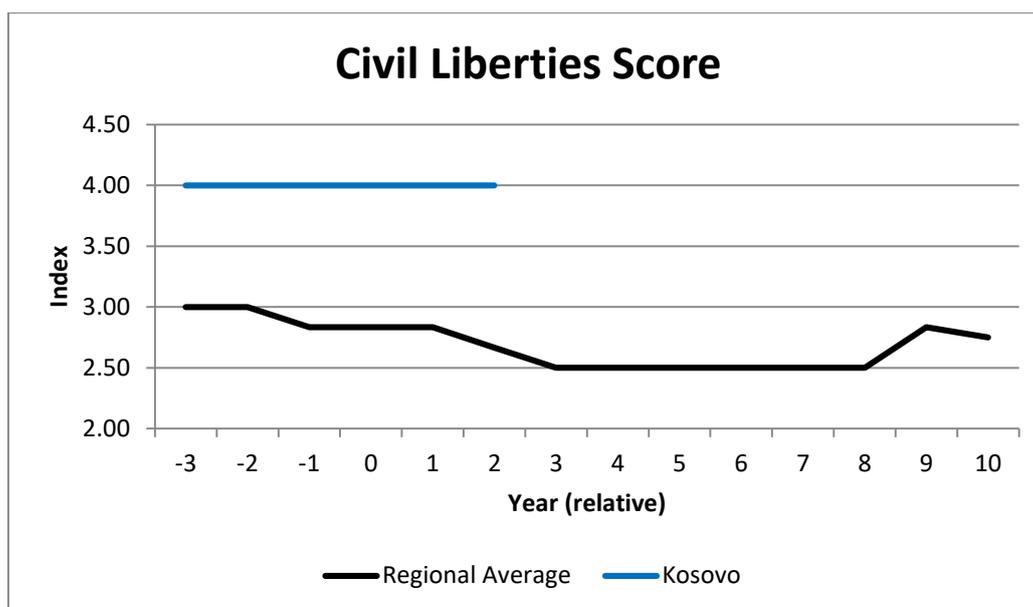
Throughout the SAP, there is a strong emphasis on reforms as a means to improve the citizens' lives. In that sense, Rule of Law is a particularly important political issue throughout the Balkan states, since it is considered the basis for a working state. To measure this political area, the World Bank indexes the state of rule of law in countries around the world. However, this alone cannot be taken as the sole measure, since each study is susceptible to bias. Freedom House monitors the civil liberties and political rights of citizens, allowing for another dimension of rule of law to be explored in terms of enforcement and legislation. These measures together can therefore be used to construct a more complete picture.

## Civil Liberties.

'Civil Liberties' represents half of the famous Freedom in the World survey realized yearly by Freedom House. Alongside with 'Political Rights', it indicates the level of realization of political ideals such as democracy, a number of freedoms as well as the rule of law status.<sup>11</sup> Lower scores indicate a prevalence of freedoms and democratic governance, incarnating 1 the goals of the EU, well afforded and enforced civil liberties throughout society. Conversely, at the other end of the scale, a 7 represents an almost total lack of liberty of any kind, such as the cases of Syria or Sudan.

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<sup>11</sup> It is noted that there is a constant balance between civil liberties and policing often with restricted civil rights being accompanied by an overbearing and imperious police force. See Benz, S. *The Police and Criminal Act 1984: balancing civil liberties and public scrutiny*, 2012, University of Central Lancashire.



(Data sourced from Freedom house<sup>12</sup>)

The years leading to the signature of the Agreement saw an improvement of the situation across all countries in the Western Balkans, as a result of the ongoing transitions, which continued during the first half of the following decade in almost all cases. However, while the overall situation improved, the evolution in some countries stalled; such is the case of Albania, Macedonia and Bosnia and Herzegovina, which prevented further improvements.

Even more worrying is that, as some years passed, the situation has started to deteriorate. While Croatia and Serbia remain firmly anchored in a solid 2, Bosnia Herzegovina is backtracking and Montenegro is struggling. In the former's case this is not surprising, since the country has remained a low performer throughout the whole process, but the latter is the most advanced country in its European path, with 26 Chapters of the negotiations already opened and 2 more closed.

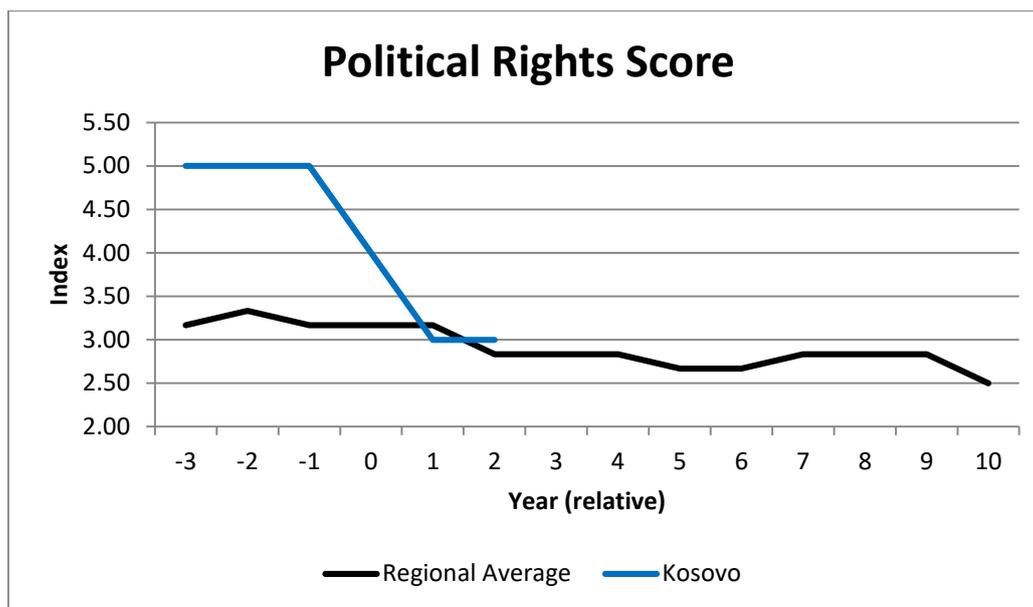
The graph seems to indicate that a certain increase in scrutiny and influence from the EU takes place while negotiations were ongoing and in the following years, but that this cannot be taken for granted. As the situation stabilizes and no further progress is to be expected short-term, the influence of the EU recedes and more authoritarian tendencies seem to surface.

Furthermore, no evolution takes place in the case of Kosovo, neither before nor after signing the SAA. This is more worrisome, as it may represent a more general trend in the region. Let's remember that year 0 here roughly coincides with years 8 – 10 for the rest, where a recession on Civil Liberties takes place.

### Political Rights

This index represents the other half of Freedom House's Freedom in the World report. Like in the previous index, this covers a scale from 1 to 7, in which generally the lower, the better.

<sup>12</sup> Freedom House, *Freedom in the World, 2017*, available at <https://freedomhouse.org/report-types/freedom-world> (accessed 04/05/2017)



(Data sourced from Freedom House<sup>13</sup>)

In this case the situation looks more promising; while there is a similar trend over the first half of the time considered, yet no backsliding takes place in the second half. Stability remains the norm, instead, with some slight improvements appearing. This can be explained through the stronger emphasis made in working democratic institutions, in contrast to the wider dimension of civil liberties.

However, caution should be advised even in this case. The slight improvement seen in the last year is due to the fact that both Serbia and Bosnia and Herzegovina are still on its ninth year, and thus no data is provided for them. If the current trend holds, including them would result in pure stability. More encouraging is the case of Kosovo, whose evolution, contrary to the previous case, is evident. In barely two years the situation improved considerably, as a great effort has been made towards better governance. Furthermore, the public administration has benefited from a streamlining process assisted by international partners.

Although caution should be advised in trying to predict future developments, assumptions can be drawn from these two graphs. As a result of the SAA agreement, these “freedoms”, as measured by both indicators, will develop and strengthen further. SAAs aim to encourage signatories to conform the democratic norms and institutionalised rights championed by the EU. These graphs show crudely that this influence works, as the positive scores indicate an effective push for political reform in the short term. Unfortunately, they also show that their effect is more limited long term, as the involved countries seem to be able to ensure a certain level of good governance, but struggle to maintain the momentum afterwards.

### Rule of Law

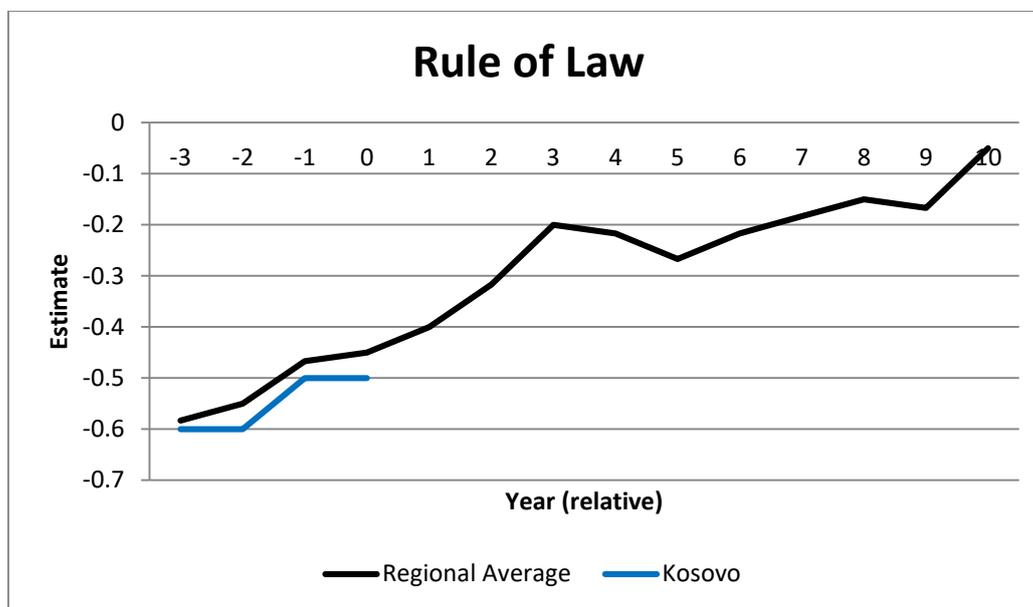
Rule of law in a political entity is an important indicator of the governance framework existing within. In this context, it captures “the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.”<sup>14</sup> Provisions regarding the Rule of

<sup>13</sup> Ibid

<sup>14</sup> World Bank, *Worldwide Governance Indicators*, 2017, available:

law are contained within the Chapter VII of the SAAs, originally called Justice and Home Affairs on the first Agreements, now rebranded as Justice, Freedom and Security in the most recent ones.

This is an area that has become of particular scrutiny for SAA countries; and most certainly this is the case in the context of Kosovo.<sup>15</sup> In terms of measurement, the World Bank provides an “estimate” which gives the country's score on an aggregate indicator, in units of a standard normal distribution, i.e. ranging from approximately -2.5 to 2.5 with 0 being the average.



(Data sourced from World Bank<sup>16</sup>)

Since zero is the average rule of law status for all countries, it varies from year to year with the evolving state of affairs around the world, as opposed to the civil and political rights, which are measured against the same benchmarks. In spite of this, a definite improvement has taken place in the region. Macedonia and Croatia, being the countries for which the largest amount of data has been measured post-SAA, show a substantial improvement. Furthermore, this trend is mirrored all across the board, even in the case of Bosnia and Herzegovina, which despite being once again the most disappointing, it is slowly approaching zero. Also Kosovo is evolving in this case in a very similar fashion than its neighbours. This seems to point to some long term tendency paralleling the development of the SAP. Thus, almost invariably, signing an SAA is followed by a significant improvement of the confidence in, as well as the enforcement of, the law. The levels of change noted year by year would support the notion that reform has been implemented successfully to a degree as a result.

Supporting this idea, the graph below shows the regional effect of the SAAs. This is to say, all countries are making significant counties at roughly similar rates over this time period regardless of the individual SAA process in each country. The presence of the SAA process in the region has a

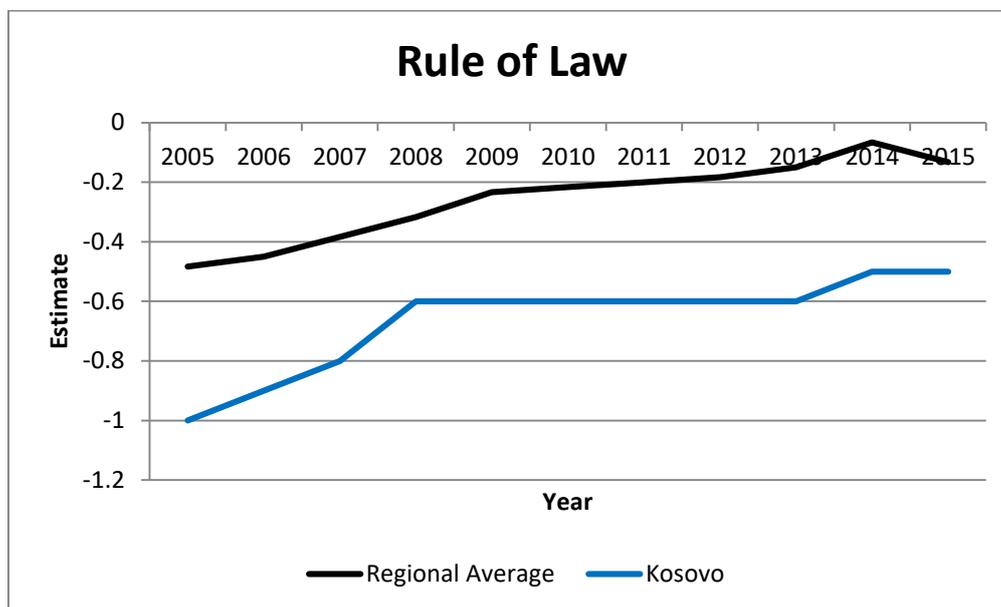
<http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=worldwide-governance-indicators> (accessed 04/05/2017)

<sup>15</sup> European Commission, *Communication to the European Parliament and the Council on a Feasibility Study for the Stabilisation and Association Agreement between the EU and Kosovo*, SWD(2012) 339 final, Brussels, 10 October 2012, available:

[https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key\\_documents/2012/package/ks\\_feasibility\\_2012\\_en.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2012/package/ks_feasibility_2012_en.pdf) (accessed 27/04/2017)

<sup>16</sup> World Bank, *Worldwide Governance Indicators*.

powerful effect across borders leading to improvements in the area. When considering that almost all Rule of Law considerations involve an element of international cooperation, the progress observed in SAA countries suggests this regional cooperation is of great importance to Rule of Law.



(Data sourced from World Bank<sup>17</sup>)

However, despite the huge improvement over the studied period, the risk of reform fatigue is still present, as the slight reversal on the last year shows. This can almost exclusively be attributed to the deterioration of the situation in Macedonia, with a certain slowdown of the progress in Albania compared with the previous years. Since that can be attributed to the political circumstances in both cases, it should not discourage the efforts on administration reform and fight against corruption and organized crime. Quite the opposite, it calls for a continuous push to avoid losing momentum.

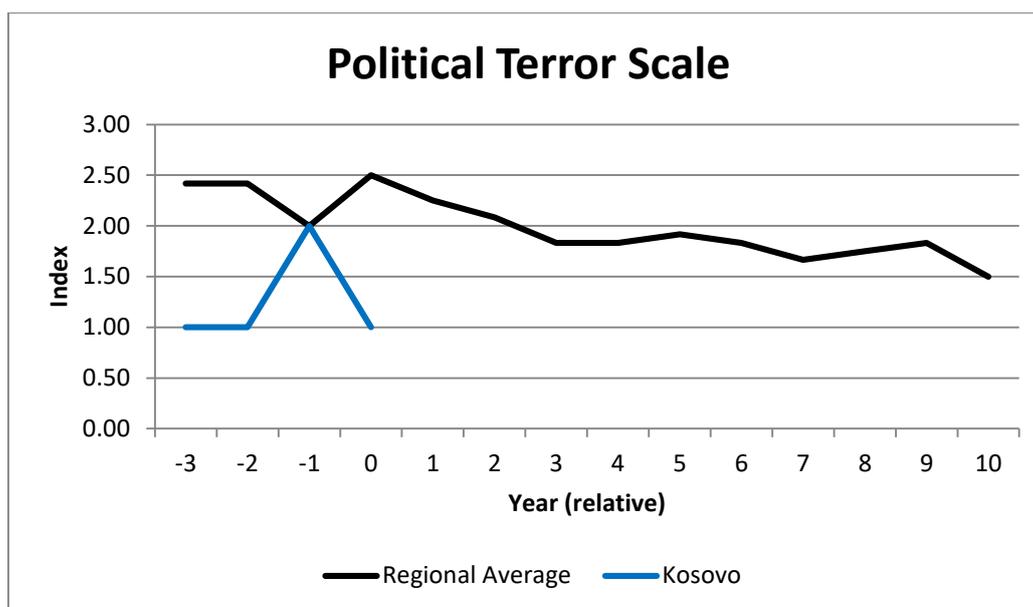
### Effects on safety and security

Closely related to rule of law is another area important to understand political efficiency – people’s safety and security. This can be assessed through a number of indicators. First, the Political Terror Scale (PTS), an index composed of the assessment made by two organizations, Amnesty International and the US Department of State (USDOS); then, the Pew forum measure of restriction on religion and social hostilities; and finally, the number of documented refugees originating from each specific country. The first two indicators aim to encapsulate the level of safety citizens experience while the last is an indicator of the level of (or fear of) persecution. Peace is arguably the primary reason the EU came into being and it remains a cornerstone of its message to other states and at the centre of its actions. The progress SAA countries can make towards a safe and peaceful state is important in judging political effectiveness and efficiency to an extent.

### Political Terror Scale

The PTS takes into account political imprisonment, political murder, civil and political rights violations and a poor justice framework with heavy political influence. In some sense it encapsulates several areas previously covered.

<sup>17</sup> World Bank, *Worldwide Governance Indicators*



(Data sourced from PoliticalTerrorScale.org<sup>18</sup>)

There are two main implications that are evident from the graph. The first one, that a downward trend is firmly established, with a notable reduction taking place despite some periods of stalling. The second one is that Kosovo starts in a better position than the rest of the countries in the region. This can be attributed to the regional effect of the Stabilization Process, as the effect of a generalized improvement in the regional conditions in the area spills over across borders even before the affected country undertakes its own process. The peak appearing in -1 corresponds to a certain political unrest in 2014, which motivated the downgrade by the USDOS.

### Restriction on religions

Whilst related to rights and civil liberties, restrictions on religion provide an insight into government attempts to interfere in its citizen's lives, and more specifically, societal adherence to democratic and peaceful norms as promoted in the SAA framework agreements and by the EU in general. In each report the index scores are classified into one of five groups; very high, high, moderate, low and every low. The colour code represents these categories with red being high, blue being moderate and green being low. In this case, the aggregated graph has been substituted by an individualized table, at the wide range of the assigned values renders the average less informative than in other cases.

	Base	2008	2009	2010	2011	2012	2013	2014	2015
Macedonia	2.2	2.1	1.1	2.8	2.6	3.0	2.5	3.2	3.1
Croatia	0.7	1.3	2.0	2.7	2.3	2.9	1.5	1.4	1.4
Albania	0.8	1.3	1.3	1.3	1.4	1.5	2.2	1.0	2.5
Montenegro	0.9	1.4	1.2	0.4	0.9	2.4	1.9	1.5	2.9
Bosnia Herzegovina	1.5	1.7	1.8	2.0	2.0	2.3	2.3	2.0	2.1
Serbia	3.1	3.4	4.2	3.5	4.0	3.6	3.4	3.8	3.0
Kosovo	1.9	2.0	1.9	1.7	1.8	1.5	2.5	2.6	3.2

<sup>18</sup> Gibney, M., Cornett, L., & Wood, R., *Political Terror Scale*, 2017, available: <http://www.politicalterror scale.org> (accessed 02/05/2017)

(Data sourced from the Pew Forum<sup>19</sup>)

The picture shown by the table is not a very promising one. The level of interference has generally tended to increase, with very few exceptions. Only Bosnia and Herzegovina remains stable during the whole period, and even in that case there is a noticeable deterioration in the situation. Some other countries have had sporadic peaks that have landed them in the 'moderate' zone for a limited period. Such is the case of Croatia, Montenegro, or Albania. The latter having such occurrence only in the last year.

In the case of Kosovo, the abrupt leap that takes place in 2013 can be attributed to a higher concern about radicalization and terrorism leading to closer supervision by the Government. While it has generally been hailed as a positive development – it prevented a number of Kosovo nationals to travel to Syria and helped disarticulating some recruitment networks – it cemented a higher control by the State. It clearly represents the already mentioned need of balance between security concerns and freedoms in a country.

Whilst intrinsically related to the Government Restrictions index above, the Pew Forum also aims to track the level of social hostility within states. Thus, the Social Hostility Index (SHI) is a measure of “concrete, hostile actions that effectively hinder the religious activities of the targeted individuals or groups.”<sup>20</sup> If the picture depicted above was concerning, this one is outright alarming.

	Base	2008	2009	2010	2011	2012	2013	2014	2015
Macedonia	1.5	1.9	1.9	3.0	2.3	2.6	2.4	1.7	3.2
Croatia	2.0	2.2	1.8	2.3	1.8	2.2	2.7	2.2	0.3
Albania	0.2	0.4	0.4	0.2	0.0	0.0	0.3	0.6	0.6
Montenegro	2.4	2.5	2.1	2.4	3.7	3.7	2.5	2.5	2.7
Bosnia Herzegovina	2.4	2.6	3.0	2.6	3.4	4.3	4.2	3.0	3.7
Serbia	1.5	3.3	4.2	4.9	4.8	3.4	2.3	1.5	0.9
Kosovo	2.4	2.8	2.8	3.7	5.2	6.7	5.3	5.1	3.8

(Data sourced from the Pew Forum<sup>21</sup>)

In terms of social hostilities, only two countries improve their situation; Croatia and Serbia, even though the latter went through the highest peak of all studied countries in 2010. Interestingly, rights (such as human and social as opposed to economic) are mentioned scarcely in SAAs. Based on these data the assumption could be made that SAAs do little to truly tackle to root cause of social hostility towards those of certain religions whilst the government restrictions remain at an appropriate, or at least more moderate, level. This demonstrates a certain disconnection between government policy and social adherence; for example, Montenegro had comparatively low restrictions on religion but high social hostilities in 2011, while in the following years both indexes saw a gradual alignment in higher levels. These two findings reveal a challenge for SAA countries to help inform attitudes in line with changes to policy.

<sup>19</sup> Pew Forum, *Restriction on Religion Publications*, 2017, available at:

<http://www.pewforum.org/category/publications/restrictions-on-religion/> (accessed 04/05/2017)

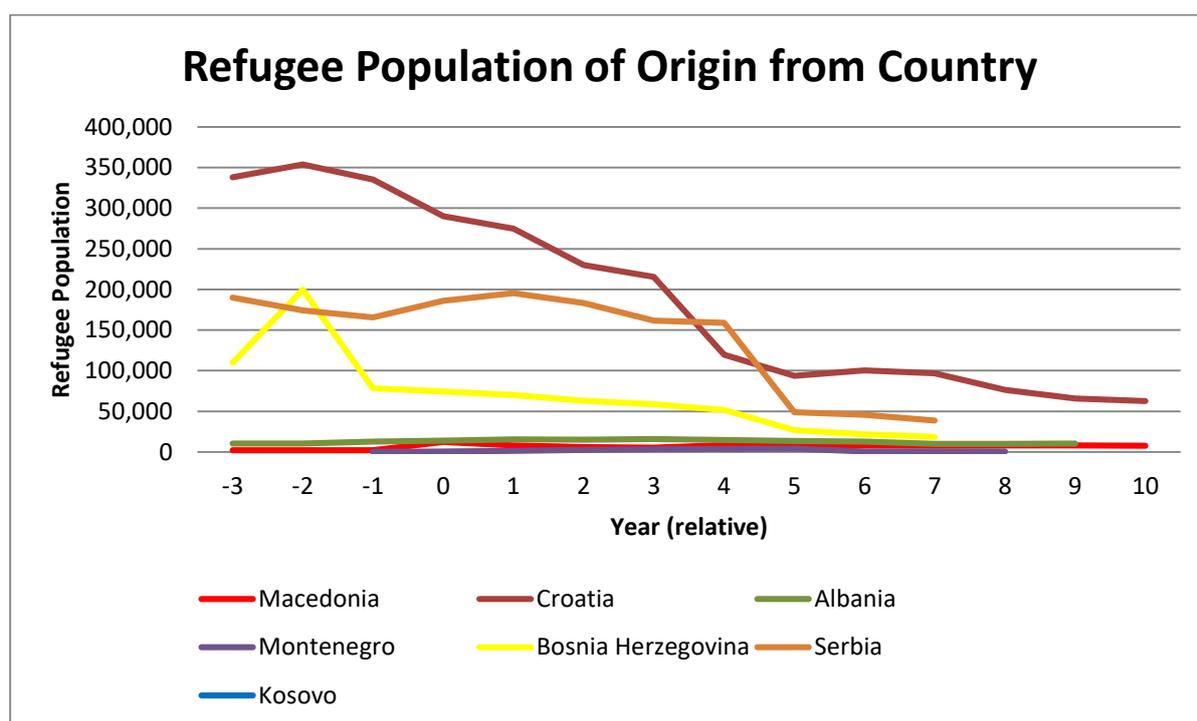
<sup>20</sup> Pew Forum, *Social Hostilities Index (SHI)*, 2009, available: <http://www.pewforum.org/2009/12/17/social-hostilities-index-shi/> (accessed 04/05/2017)

<sup>21</sup> Pew Forum, *Restriction on Religion Publications*

## Refugee Population

Related to hostilities against a group, the number of refugees from a determined country is directly connected to the fear of facing persecution. Thus, the inclusion of refugee population statistics from the SAA countries aims to show the number of individuals who harbour such fears. This persecution can be state or societal-led, but in either case it represents a governmental failing in some sense. Therefore, low refugee numbers can usually be associated to the most efficient governmental regimes.

In this case, information is presented in a disaggregated form, as doing otherwise would be of scarce use, due to the differences between Balkan states.



(Data sourced from World Bank<sup>22</sup>)

Thus, whilst dominated by the reduction of Croatian refugees, the graph also shows that there have been significant falls in refugees from Serbia and Bosnia and Herzegovina. In regard to the smallest countries, Macedonia is still struggling to resettle the wave of refugees resulting from ethnic tensions at the beginning of the century, while Albania and Montenegro have been able to manage to do so over the decade, albeit slowly. There is no available data for Kosovo.

This graph implies that changes to the host country have led to a significant fall in the refugee populations in all but one instance. While the reduction shows no direct causation with the signing of an SAA, political regime change (including in large part to an improvement vis-à-vis the rule of law conditions, as well as civil liberties and political rights) has contributed to bring about this fall. Another explaining factor is reform and normalisation in asylum and migration legislation with that of the EU.

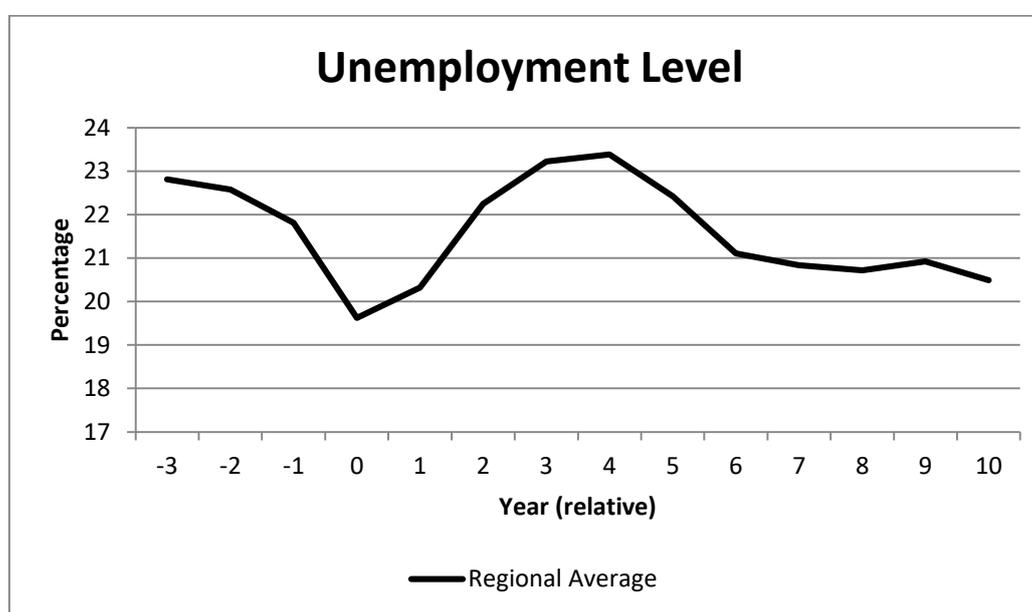
<sup>22</sup> World Bank, *World Development Indicators*, 2017, available at: <http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=world-development-indicators> (accessed 04/05/2017)

## Effects on the economy

While non-political in nature, the next measures aim to show the efficiency of economic policy; employment and growth. Whilst the global economy has a large factor of influence over these two indicators, they will be part of the government policy with the assumed aim being high employment levels and stable and positive growth. Employment and gross domestic product (GDP) levels provide insight into the effectiveness of the economic policy. However, due to the severe nature of the global financial crisis of 2009, there is significant bias introduced into measurements in the last few years.

## Unemployment

Considering a relative timeframe, it is clear that the years leading to the signature of the SAA see a significant reduction of the unemployment. This phenomenon is often related to increased levels of confidence in the economy; this confidence can lead to more lending, low interest rates, falls in inflation, more consumer spending and more foreign direct investment.<sup>23</sup>



(Data sourced from IMF<sup>24</sup>)

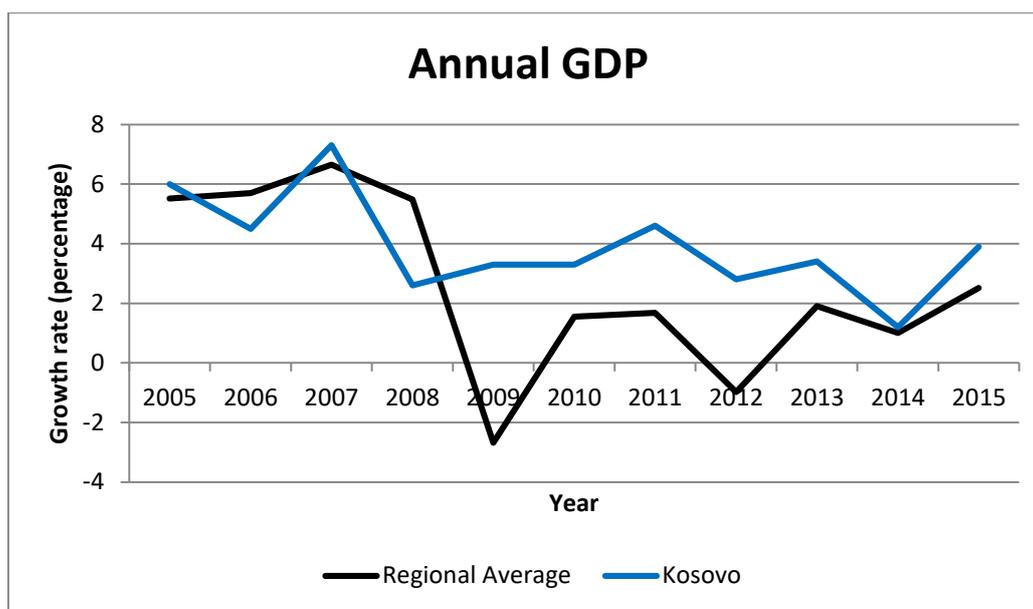
This positive economic shift can lead to falls in the unemployment rate explaining the figures below. On the other hand, the high rises in unemployment appearing in the years following the signing are a result of the global financial crisis, peaking in years 3 to 4, that roughly coincide with the period 2008 – 2011 for most countries. It is not surprising, then, that an improvement takes place soon afterwards, as the economic cycle moves to one of growth.

## Gross Domestic Product (Growth)

The bias of the global financial crisis is far more pronounced when analysing annual GDP growth in a linear timeframe (as shown below). In all countries there is a drastic drop from 2007 to 2009 (in the case of Montenegro, this fall roughly represents a 16%).

<sup>23</sup> New York Times, *Yes, We're Confident, but Who Knows Why?*, New York, 9 March 2013, available: [http://www.nytimes.com/2013/03/10/business/confidence-and-its-effects-on-the-economy.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2013/03/10/business/confidence-and-its-effects-on-the-economy.html?pagewanted=all&_r=0) (accessed 05/05/2017)

<sup>24</sup> International Monetary Fund, *World Economic Outlook Database, April 2017*, 2017, available at <http://www.imf.org/external/pubs/ft/weo/2017/01/weodata/index.aspx> (accessed 05/05/2017)



(Data sourced from World Bank<sup>25</sup>)

Once again, the case of Kosovo outstands from the others. Although the country saw the same economic slowdown than the rest of the region due to the financial crisis, it is the only one, along with Albania, which managed to keep growing in both 2009 and 2012.

That does not hide the fact that a ‘crash’, almost entirely due to external factors, took place in the last decade; without such a global crisis we might expect to see, similar to the unemployment level, favourable conditions around the time of signing as a result of increased confidence in the economy. This rise in confidence stems predominantly from the SAAs’ two prominent economic consequences, i.e. the contractual obligation for future reform and the impending free market conditions likely to be imposed as a result of the Agreements. In terms of how this informs opinion, SAA countries get an economic boost from signing such a treaty, but these economic components are ultimately under control of the wider global economy.

### Effects on the Public Administration

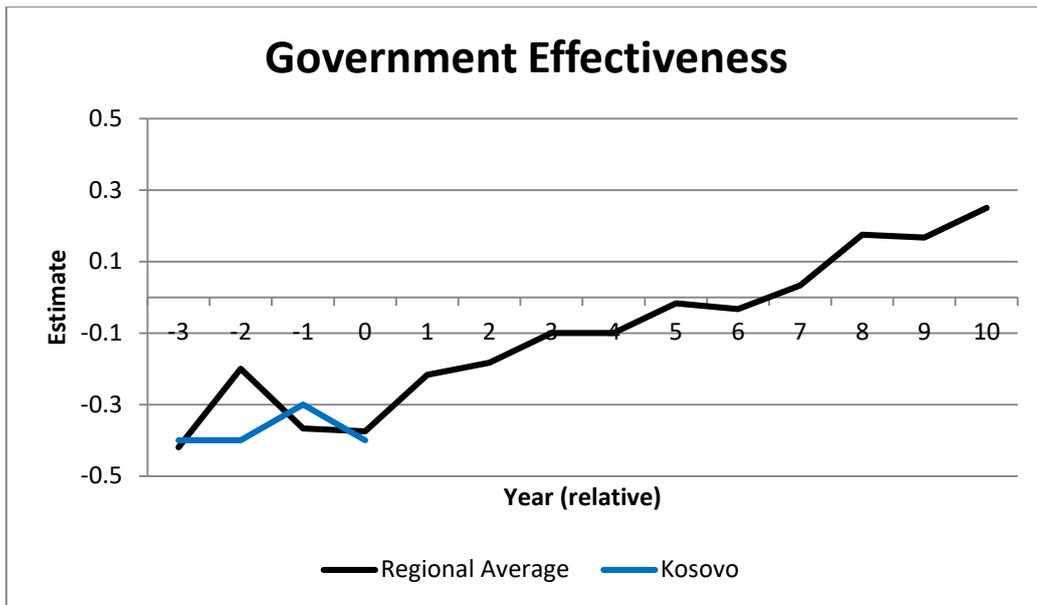
The last dimension to be considered is the capacity of the Public Administration to provide services to the citizens, since Public Administration Reform is one of the most relevant fields in which the SAAs act. Thus, the extent at which that provision improves during the implementation of the SAP is undoubtedly an important factor to assess the effect of said Process.

### Government Effectiveness

In this case, the World Bank indicator of Government Effectiveness will be used. This measure provides a general overview of “the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies”.<sup>26</sup> Since it combines many factors within it and thus has a very large scope, it may have limited applicability to the study of specific political impacts, yet it provides a broad overview of the state of the public administrations in the region.

<sup>25</sup> World Bank, *World Development Indicators*

<sup>26</sup> World Bank, *World Development Indicators*



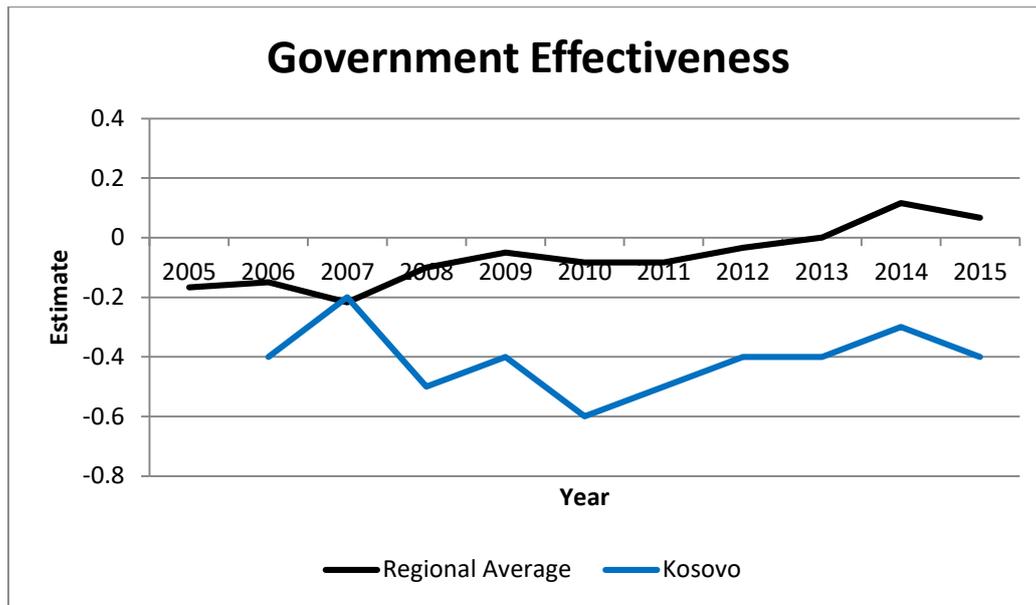
*(Data sourced from World Bank<sup>27</sup>)*

On average, from year zero the observed government effectiveness estimate has risen significantly. This would suggest that the signing of an SAA has an important role in raising the efficiency of government through reform and development. When considering that from the point of signing to the agreement coming into force there is on average a mere two years to complete a raft of reforms, government effectiveness needs to be high to deal with such extensive overhauls. As such, the graph supports the notion that signing an SAA has a dramatic positive effect on governmental effectiveness, which is perhaps the greatest indication of governmental efficiency.

On average, five years after signing the Agreement the SAP countries have reached the average (0); it is worth noting, though, that those countries that signed first the respective SAA (Macedonia, Croatia and Albania) have improved faster than those who came later (Montenegro and Serbia). The case of Bosnia is a special one, since its Administration did not start to see a substantial improvement until several years passed the signature of the Agreement. This is in line with the actions of the EU, delaying the full ratification of the SAA and its entering into force for an unprecedented seven years. Since the behaviour of Kosovo so far mirrors the regional average, a substantial improvement is to be expected in years to come.

However, the graph below shows the changes in government effectiveness on a linear timescale, allowing for a more comprehensive comparison. This new graph shows the same regional trend towards the average, slowed down by those countries struggling with reforms. It would also support the notion that government effectiveness is both the subject of SAA orientated reform and a driving force behind it.

<sup>27</sup> World Bank, *Worldwide Governance Indicators*



(Data sourced from World Bank<sup>28</sup>)

An interesting development in this graph is the evolution of Kosovo, which tends to mirror that of its neighbours, albeit at a lower level, and shows a distinct feature, the peak reached in 2007, when it performed similarly to the rest. It is worth noting that after the Declaration of Independence in 2008, the Public Administration ceased to be directed by the United Nations Mission in Kosovo (UNMIK), whose role was greatly reduced afterwards, while the local Administration was still struggling to establish itself. Afterwards, its efficiency estimate has followed more natural trends, reaffirming the idea that a gradual rapprochement with the regional average is to be expected in the future.

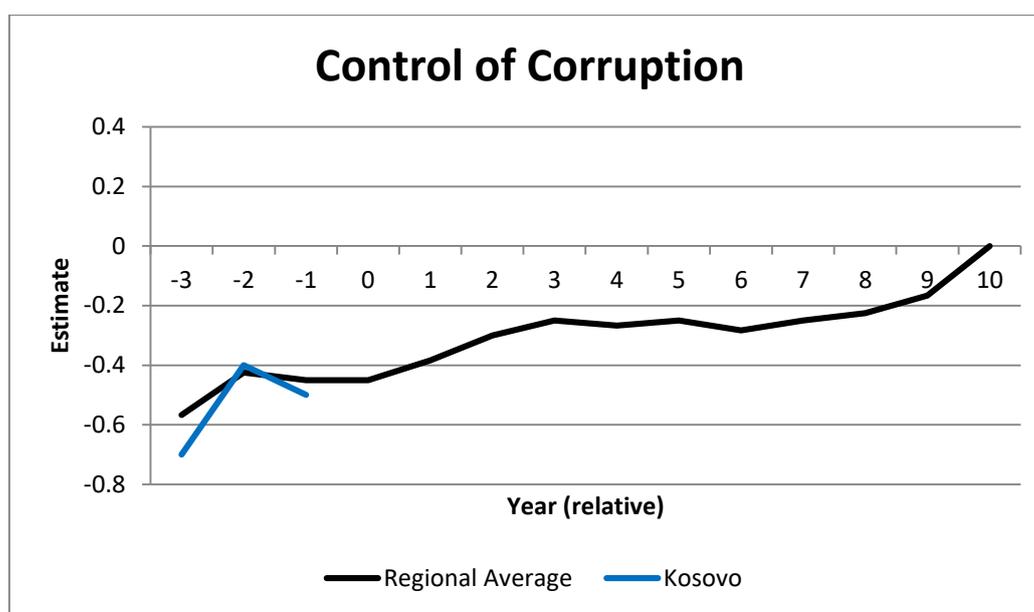
### Political Accountability

At the heart of the political reform SAAs aim to bring about is the establishment of democratic freedoms; this is to say, the ability of the people to influence their government and to realise their civil liberties. This political accountability is a far more tangible aspect of SAA political impact. Whilst efficiency can be measured in multiple ways the questions around corruption and transparency are relatively uniform. Both the World Bank's control of corruption index and Transparency International's corruption perception index will be used.

<sup>28</sup> World Bank, *Worldwide Governance Indicators*

## Control of Corruption

Corruption manifests in many ways, but its most basic result is undermining democracy. The World Bank defines it as the use of “public power [...] for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by elites and private interests”.<sup>29</sup> Corruption to a large extent was endemic throughout the Yugoslavia regime and remnants of this time continue to pose a challenge for governments throughout the Balkans and the EU.<sup>30</sup> In terms of the control of corruption, the World Bank produces research looking at the estimate measure of countries in relation to this topic.



(Data sourced from World Bank<sup>31</sup>)

The graph demonstrates that since the time of signing an SAA, significant progress towards the average estimate of zero takes place. In the case of all but Croatia, whose situation was already more advanced, this marks a substantial improvement. This perhaps demonstrates the importance the EU places on this area. The sole exception to this is Bosnia and Herzegovina, which is still struggling to keep momentum as the reform of the Justice is slowly ongoing and the rule of law are still a high concern.<sup>32</sup>

Once again, Kosovo is no exception, and a certain improvement is taking place, albeit slowly and not without difficulties. Thus, a long term improvement is expected to develop, provided that the agenda reform at large remains in place and the commitment of the government does not wane.

## Perception of corruption

Along with control of corruption, and arguably even more important, is the perception of the phenomenon. Transparency International states that there are serious issues with simply taking

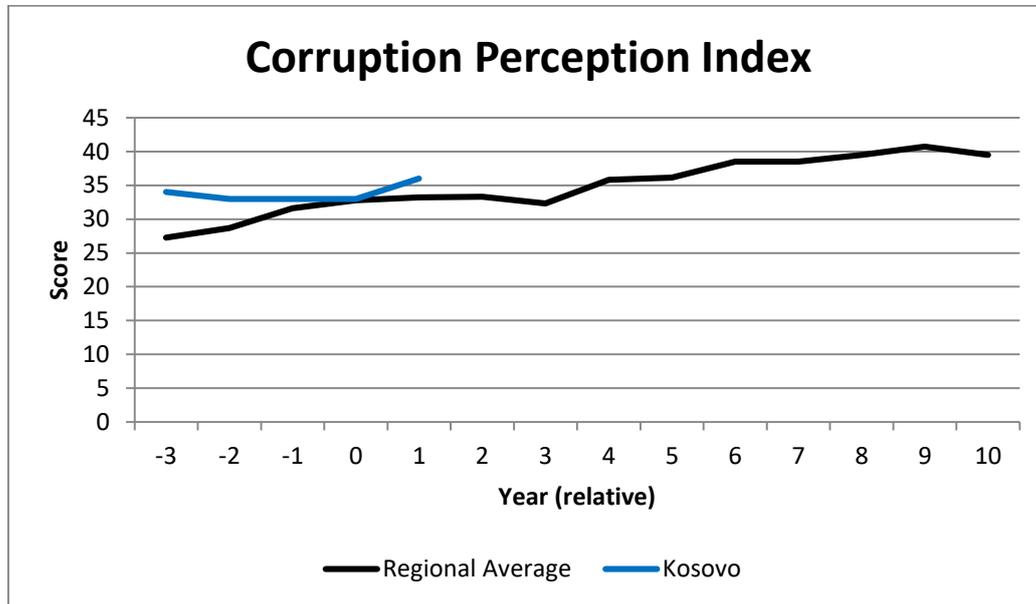
<sup>29</sup> Ibid

<sup>30</sup> Transparency International, *First anti-corruption project launched in three Yugoslav cities, 2000*, available: [http://www.transparency.org/news/pressrelease/first\\_anti\\_corruption\\_project\\_launched\\_in\\_three\\_yugoslav\\_cities](http://www.transparency.org/news/pressrelease/first_anti_corruption_project_launched_in_three_yugoslav_cities) (accessed 05/05/2017)

<sup>31</sup> World Bank, *Worldwide Governance Indicators*

<sup>32</sup> European Commission, *COMMISSION STAFF WORKING DOCUMENT, Bosnia and Herzegovina 2016 Report*, SWD(2016) 315 Final, Brussels, 9 November, 2016, available: [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key\\_documents/2016/20161109\\_report\\_bosnia\\_and\\_herzegovina.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_bosnia_and_herzegovina.pdf) (accessed 05/05/2017)

into account how many instances of corruption are uncovered and instead capturing “perceptions of corruption of those in a position to offer assessments of public sector corruption [as] the most reliable method of comparing relative corruption levels across countries.”<sup>33</sup> The data below plots the Corruption Perception Index (CPI) as researched by Transparency International:

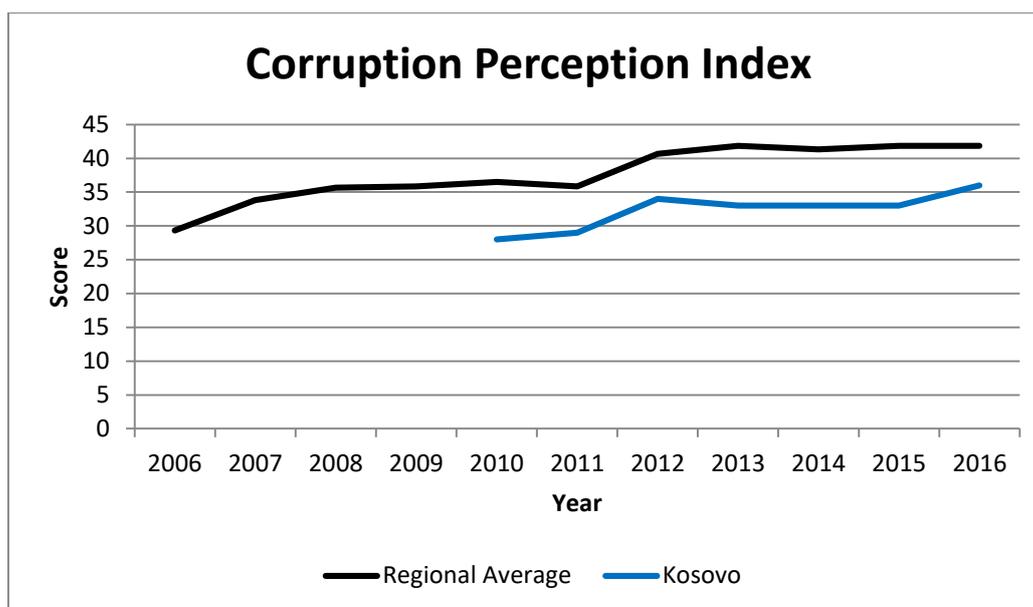


*(Data sourced from Transparency International<sup>34</sup>)*

The above graph shows that on average all countries have experienced higher rankings on the CPI since their respective signing of their SAAs. Indeed, it is true that, while the yearly evolution is slow (as shown below), the cumulative effect is another thing altogether. This is a result of the Stabilization Process and the heavy investment in rule of law and justice within the region.

<sup>33</sup> Transparency International (2012) What is the corruption perception index? Available at: [http://cpi.transparency.org/cpi2012/in\\_detail/](http://cpi.transparency.org/cpi2012/in_detail/) (accessed 18/09/13)

<sup>34</sup> Transparency International (2013) Corruption Perception Index, available at: <http://www.transparency.org/whatwedo/publications> (accessed 18/09/13)



*(Data sourced from Transparency International<sup>35</sup>)*

We can also identify the plateau from 2008 to 2011, due to a stalling in Albania and Bosnia and Herzegovina, coinciding with the stable trend showed above in the middle years. We can also identify the formation of several intergovernmental organisations (Financial Action Task Force, Group of States against Corruption) devoted to fighting corruption as indicators of governmental commitment towards this particular issue and perhaps contributors to the reduced level of corruption in these countries.

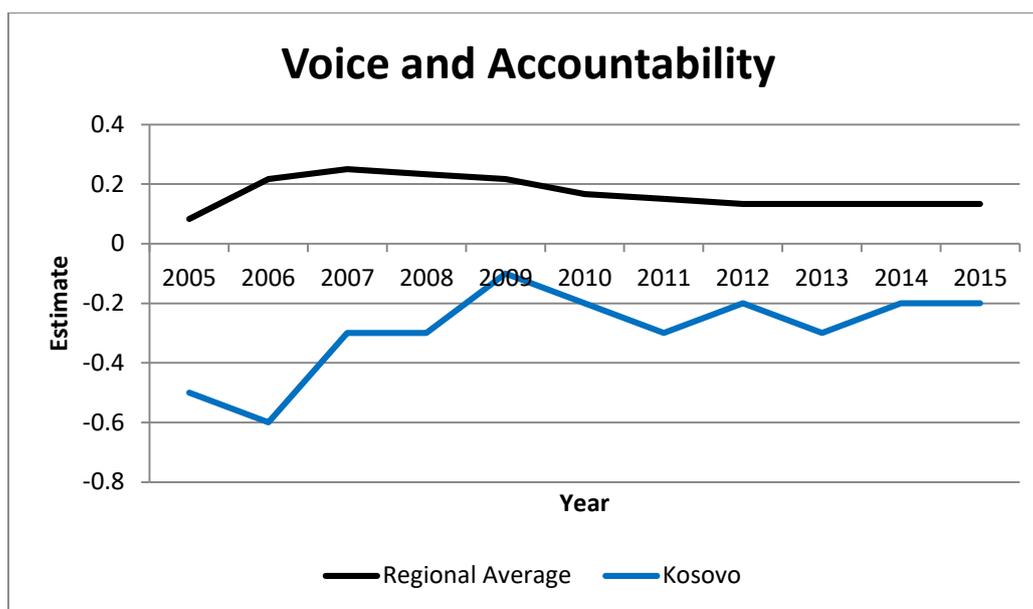
This regional trend also explains the performance of Kosovo, and the fact that it started in a better position than other SAP countries. While in absolute terms it remains in a lower position, it is benefitting from a more favourable context, and thus a certain convergence is only to be expected. In fact, it is already visible in the last graph. That would, in relative terms, make it outperform the other states, as the previous graph shows.

### Voice and accountability

Voice and accountability is to an extent the synonym of corruption; more precisely, both factors tend to be inversely proportional. Accountability refers to “the concept that individuals, agencies and organisations (public, private and civil society) are held responsible for reporting their activities and executing their powers properly. It also includes the responsibility for money or other entrusted property”.<sup>36</sup> In other words, it can be defined as the extent to which citizens are able to choose their government representatives and regime as well as the extent to which freedom of expression, answerability and media are intact.

<sup>35</sup> Transparency International, *Anti-corruption Glossary*, 2017, available: <http://www.transparency.org/glossary/term/accountability> (accessed 05/05/2017)

<sup>36</sup> World Bank, *Worldwide Governance Indicators*



(Data sourced from World Bank<sup>37</sup>)

Contrary to the other indicators referenced, voice and accountability has basically remained stable on average since 2005, with some early rises followed by a slow decline; the exception here being Serbia, which has made significant improvements by this measurement. Nonetheless, this is compensated by Bosnia and Herzegovina, which has mirrored Serbia's progress in deterioration, further legitimising the EU's actions, delaying the entry into force of the SAA for as long as the country continued to fail to fulfil the required criteria, and establishing a Structured Dialogue on Justice to push for it. Kosovo has not been an exception in these developments, with early gains followed by a certain decline until a new equilibrium is reached. Yet, unlike the others, this new equilibrium is in a higher position than the departing point, and while still far, is closer to the average than it was in 2005.

The ramifications of these considerations are that, whilst corruption is likely to decrease when signing an SAA through the proposed reform, voice and accountability can still remain a challenge. Continual EU Progress Reports have confirmed that electoral reform has been slow to implement in many SAA countries and as a result the elections of Albania, Montenegro and Macedonia in 2015 and 2016 continued to be monitored and observed by the Organisation for Security and Co-operation in Europe. <sup>[38][39][40]</sup>

## Political Cooperation

While of significant importance to the Stabilization Process, political cooperation is a difficult practice to quantify. Even though the annual Progress Reports produced by the European Commission describe regional cooperation between states involved in the SAP, they do not include any real indication of actual levels of cooperation. The focus is instead on bilateral agreements with other enlargement countries and the participation on regional initiatives. A quantifiable way

<sup>37</sup> World Bank, *Worldwide Governance Indicators*

<sup>38</sup> OSCE, *Local Elections, 21 June 2015*, 2015, available:

<http://www.osce.org/odihr/elections/albania/153826> (accessed 05/05/2017)

<sup>39</sup> OSCE, *Parliamentary Elections, 16 October 2016*, available:

<http://www.osce.org/odihr/elections/montenegro/245866> (accessed 05/05/2017)

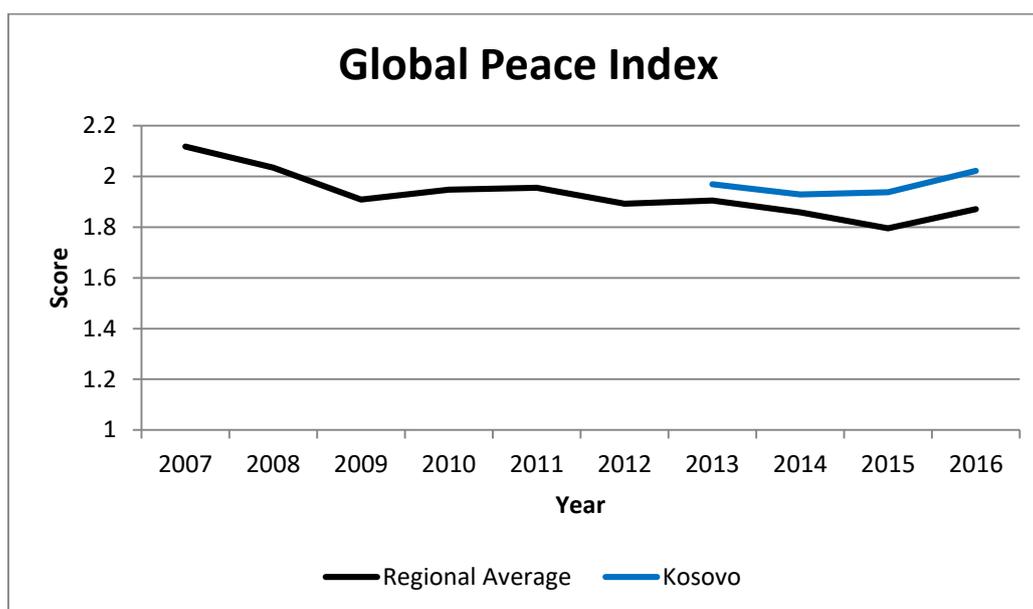
<sup>40</sup> OSCE, *Early Parliamentary Elections, 11 December 2016*, available:

<http://www.osce.org/odihr/elections/fyrom/279061> (accessed 05/05/2017)

of assessing the political cooperation of states can be provided by the Peace Index, which measures the strength of relations with other countries, and the Intergroup Cohesion index, which measures the extent at which different ethnic groups can cohabite within a State.

### Global Peace Index

The Peace Index, as measured by the Institute for Economics and Peace, takes into account relations with neighbouring countries as one of its components, making it a suitable rough indicator of cooperation levels among SAA signatories, as well as with the EU.<sup>41</sup> The index is designed to show the ‘peacefulness’ in an inverse scale; thus, the lower the score, the more peaceful a country is. To give some context, Iceland was the most peaceful country in 2016 with an index score of 1.192, while Syria was the least peaceful state with a score of 3.806.<sup>42</sup>



*(Data sourced from Institute for Economics and Peace<sup>43</sup>)*

The graph shows a trend towards improvement for the region, despite some periods of regression, as is the case of the last year; despite of that, the situation has clearly improved over the last decade. As in previous measures, Croatia maintains a high level of reform and “outperforms” other SAA countries, in contrast to Bosnia and Herzegovina and Macedonia, which remain consistently above the average, suggesting less peaceful states.

Political cooperation is an issue which lays at the core of both any single SAA country, the Western Balkans and Europe at large; the SAP as a whole is as important as the signed agreements, and the similar index scores these countries regularly achieve (with the exception of Croatia) is an indication of this.

### Intergroup Cohesion

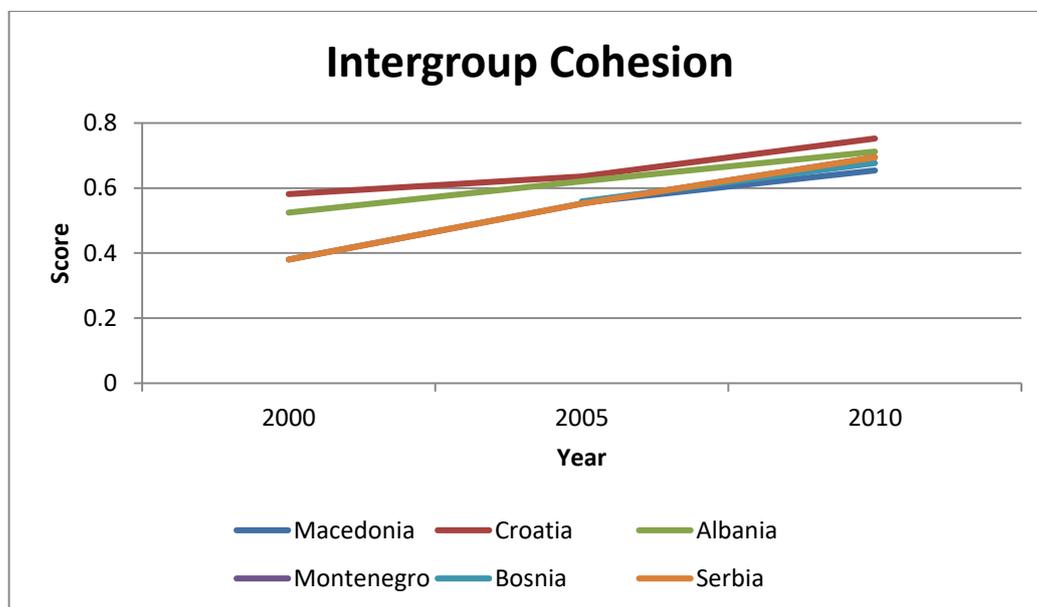
Another similarly indirect measure of political cooperation is the Intergroup Cohesion index. Within almost every SAA country, there are significant minorities formed out of its neighbours’ ethnic groups. The extent to which these minorities are empowered, respected and cooperated with, can

<sup>41</sup> Institute for Economics and Peace, *Global Peace Index 2016, 2017*, available [http://visionofhumanity.org/app/uploads/2017/02/GPI-2016-Report\\_2.pdf](http://visionofhumanity.org/app/uploads/2017/02/GPI-2016-Report_2.pdf) (accessed 05/05/2017)

<sup>42</sup> Ibid

<sup>43</sup> Ibid

be seen as mirroring the relations between the respective governments.<sup>44</sup> For example, the treatment received by the Bosniak minority in Serbia (of around two percent of the population) serves as an indication of the state of the relations and the level of cooperation between the governments of Serbia and Bosnia.<sup>45</sup> Below are the plotted results taken from the Institute for Social Studies' study. The latter plots the level of cohesion every five years and thus gives us general information in this area.



(Data sourced from International Institute for Social Studies<sup>46</sup>)

The graph shows that the index measurement for the region has risen considerably over the ten years measured. In some cases, such as Montenegro and Serbia, it has actually doubled compared with their respective measures in 2000. Two things are shown here. First, the low level of intergroup cohesion in 2000, largely the result of the disintegration of Yugoslavia, since this conflict partly revolved around ethnic conflicts.

Second, it shows how far the region has moved. Ten years later, the Stabilization and Association Process was well underway, with most of the SAAs already in force, being Kosovo the sole country that was not at least in the negotiation phase. The relative transformation in political and social cooperation and cohesion is significant and this explains the steep progress made by all states. To say this improvement is entirely the product of the SAA process would be, at best, showing an incomplete picture. On the other hand, that does not necessarily imply that this contractual agreement between the EU and a third country is not an effective tool in helping achieve the goals of peace, cooperation and governmental accountability and efficiency.

### Trade initiatives

Whilst not focused entirely on political aspects, a measure of cooperation could be assumed from the bilateral free trade agreements signed between states within the Stability Pact for Southern

<sup>44</sup> International Institute for Social Studies, *Intergroup Cohesion*, 2010, available: <http://www.indsocdev.org/intergroup-cohesion.html> (accessed 05/05/2017)

<sup>45</sup> Statistical Office of the Republic of Serbia, 'Ethnicity' in *2011 Census of Population, Households and Dwellings in the Republic of Serbia*, available: <http://pod2.stat.gov.rs/ObjavljenePublikacije/Popis2011/Nacionalna%20priпадnost-Ethnicity.pdf> (accessed 05/05/2017)

<sup>46</sup> International Institute for Social Studies, *Indices of Social Development*

Eastern Europe. These agreements are detailed in a matrix below. Since the inception of the Stabilisation and Association Process, free trade agreements have been put in place progressively. To a certain extent, this phenomenon was a result of the SAA articles ensuring regional cooperation with states engaged in the SAP, even though it was incorporated in a broader stabilization effort undertaken by both the EU and other international partners that materialized in the Stability Pact for South Eastern Europe.

<b>Table 4. Regional Free Trade Agreements</b>					
	<b>Kosovo (UNMIK)</b>	<b>Serbia and Montenegro</b>	<b>Bosnia and Herzegovina</b>	<b>Albania</b>	<b>Macedonia</b>
<b>Croatia</b>	SEE-FTA 2006	SEE-FTA 2004	SEE-FTA 2005	SEE-FTA 2003	SEE-FTA 2002
<b>Macedonia</b>	SEE-FTA 2005	SEE-FTA 2006	SEE-FTA 2002	SEE-FTA 2002	
<b>Albania</b>	SEE-FTA 2003	SEE-FTA 2004	SEE-FTA 2004		
<b>Bosnia and Herzegovina</b>	SEE-FTA 2006	SEE-FTA 2002			
<b>Serbia and Montenegro</b>					

*(Data sourced from the Central European Free Trade Agreement Secretariat)<sup>47</sup>*

It is worth noting that Kosovo signed those treaties only under the authority of the United Nations Mission in Kosovo (UNMIK), since at that time the unilateral declaration of independence had not taken place yet. Consequently, no agreement was signed with Serbia and Montenegro, of which it still was formally part at the time.

Whatever the case may be, these agreements have later been merged within the multilateral Central European Free Trade Agreement. After the dissolution of the Stability Pact, the Regional Cooperation Council (RCC) was established to provide a framework to promote and enhance regional cooperation in South East Europe.<sup>[48][49]</sup> It intends to facilitate cooperation in “economic and social development, energy and infrastructure, justice and home affairs, security cooperation, building human capital, and parliamentary cooperation as an overarching theme”.<sup>50</sup> The RCC also introduced an initiative aimed specifically at fostering parliamentary cooperation working with “regionally-led initiatives, networks and International Organizations supportive to the parliamentary cooperation in the SEE, but also with individual parliaments in the region”.<sup>51</sup> Its funding comes both from the region and the European Commission and whilst it represents a separate venture from the SAP, it demonstrates closer political cooperation and dialogue between states supported by the European Union. Simply by its existence, its functioning and achievements (including the

<sup>47</sup> Annex 2: Bilateral Free Trade Agreements to be terminated upon entry into force of CEFTA 2006’, *Central European Free Trade Agreement*, Bucharest, 19 December 2006, available: <http://cefta.int/wp-content/uploads/2016/05/ANNEX-2-TO-AGREEMENT-RE-BILATERAL-FTAs-TO-BE-TERMINATED.pdf> (accessed 02/05/2017)

<sup>48</sup> CEFTA Secretariat, Legal Texts, available: <http://www.cefta.int> (accessed 23/09/13)

<sup>49</sup> Regional Cooperation Council, Overview, available: <http://www.rcc.int/pages/6/2/overview> (accessed 05/05/2017)

<sup>50</sup> Ibid

<sup>51</sup> Regional Cooperation Council, RCC and Regional Initiatives and Task Forces in South East Europe, 2017, available: <http://www.rcc.int/pages/0/37> (accessed 05/05/2017)

economic ones listed above), it incarnates the advanced level of political cooperation existing in the region and the comprehensive framework available to countries to engage in this initiative.

## Identifiable challenges for SAAs

As shown, the evolution of the countries involved in the Stabilization Process after signing an SAA has generally followed common patterns. Thus, some general conclusions can be made resulting from the analysis

First, political efficiency improves in many ways after signing an SAA, assuming the basic aims of European governmental regimes are social and economic progress. In general, the signing of the SAA has been met with the realisation of democratic, social and cultural rights; increasing the safety and security of individuals and broadly increasing the standard of living of citizens. There are improvements in civil liberties, political rights, rule of Law and PTS scores. At the same time, the refugee population has diminished drastically. Added to this, unemployment has tended to drop at the time of signing, while governmental effectiveness has generally risen amply. Economic growth remains an elusive indicator as a result of the global financial crisis, which introduces a substantial bias. It could be posited that economic growth would be fairly assured over the long-term period with gradual access to tariff free trading with the Single Market.

Similarly, accountability improves to some extent, with increasing control over corruption within states and a lower perception of the phenomenon post-SAA signing. However, voice and accountability seems to suffer with deteriorating levels (most noticeably in Bosnia and Herzegovina). This manifests itself in election fraud of varying types and lack of freedom of expression, association and media that are damaging for the whole process. Thus, this field still shows serious shortcomings, despite limited improvements.

Finally, political cooperation can be seen to have improved in most instances. Peacefulness improves generally, as does intergroup cooperation; however, as noted, cooperation is best explained through a regional perspective. In this sense, peace has to a large extent been kept within the Balkan region since the Stabilisation Process was initiated in 1999. By including the agreements made between SAA states and the work of the RCC, it is clear that cooperation among them and with the EU has substantially developed.

Overall, the analysis show that most of the improvements on these dimensions take place shortly after the signature of the Agreements, as a result of a renewed push for reforms, and that, as the time elapses, the momentum for reform tends to dissipate. That leads to certain stagnation, and in some cases, outright regression. This is mostly linked to the fact that membership, which should be the next goal for Western Balkan countries subject to the SAP, still remains a remote possibility. As a consequence, a certain 'reform fatigue' starts to appear and the influence of the EU in the region diminishes. However, the vacuum created by this realignment should be avoided, as it can pose a direct threat to the whole process. Not only third actors could profit from it, it also allows for old grievances to arise.<sup>52</sup>

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<sup>52</sup> European Western Balkans, Thaçi: EU's delay to approximate Western Balkans is a threat to security, Pristina, 04 May 2017, available: <https://europeanwesternbalkans.com/2017/05/04/thaci-eus-delay-to-approximate-western-balkans-is-a-threat-to-security/> (accessed 05/05/2017)

## Lessons applicable to Kosovo

There are substantial economic benefits to opening a country's internal market to the Single Market. However, there are political considerations to this agreement that have been discussed. To an extent, Kosovo's SAA is unique, as it represents the first of an era. More specifically, it was the first agreement signed by the post-Lisbon EU. Nonetheless, so far it has mirrored the experiences of its predecessors, as all these countries share a common "profile".<sup>53</sup> Thus, it is also to be expected that Kosovo follows the footsteps of its neighbours in the foreseeable future.

Economic growth is not necessarily guaranteed in the short term by an SAA. The lesson attributable in this area is that the market is the largest determinant of the economy over governmental actions and that care should be taken in maintaining strict fiscal responsibility. So far, Kosovo has been able to meet its commitments in this field, and ensuring that this remains the case in the future should be a priority for all actors.

Rule of law, as a system, is likely to improve as a result of signing the SAA. In large part, because of the well-established SAP in the surrounding nations raising the standard of the entire region; it should be noted, however, that most SAA countries still fall below the average level according to World Bank data. Rule of law cannot be underestimated as a crucial element of state reform; the shortcomings of rule of law (an institutional legacy of the Yugoslavian regime) arguably stunt the democratic development of the region with "weak and politicized justice systems [that] are often incapable of holding political leaders accountable for corruption and other abuses, and independent media frequently [coming] under pressure for attempting to bring such official malfeasance before the court of public opinion."<sup>54</sup>

That is still the case of Kosovo, where a series of leaks in 2016 showed the extent at which "external power structures (mainly of one political party, PDK) control and undermine the work of state institutions".<sup>55</sup> That, despite a 10-years long European Union Rule of Law Mission (EULEX Kosovo), only reinforces the need of improving the efficiency of national law enforcing agencies. However, this is a question that, while at the core of the commitments subscribed in the SAA, remains at an early stage of preparation, at best.<sup>56</sup>

Closely related to this is the control of corruption, which has been shown to improve for other countries, while remaining a particular challenge for most SAA countries. Like Kosovo, most still fall below the average as shown by World Bank data. While this can be addressed through regional cooperation and regional initiatives, it is predominantly for the existing rule of law structures and anti-corruption framework to tackle the issue. Accountability has been a challenge in many states, manifested through election problems and, in some cases, frauds. Kosovo suffers from similar issues, considering its 2010 elections were marked by fraud and senior public officials have been arrested for abuse of office.<sup>57</sup> By 2016, most of the legal framework is already in place, yet electoral

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<sup>53</sup> Freedom House, A Democratic Scorecard for the Western Balkans

<sup>54</sup> Ibid

<sup>55</sup> Freedom House, Nations in Transit: Kosovo

<sup>56</sup> European Commission, COMMISSION STAFF WORKING DOCUMENT, Kosovo\* 2016 Report, SWD(2016) 363 Final, Brussels, 9 November, 2016, p. 13, available: [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key\\_documents/2016/20161109\\_report\\_kosovo.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_kosovo.pdf) (accessed 05/05/2017)

<sup>57</sup> Freedom House (2013) A Democratic Scorecard for the Western Balkans

reform is still unfinished.<sup>58</sup> Similarly, freedom of the press and media also lag behind European averages, representing a challenge in the future.<sup>59</sup>

Finally, political cooperation represents another area the EU promotes strongly. As seen, there is a well-developed framework for regional cooperation, and in most cases economic cooperation has already started. For Kosovo, tensions are still evident with Serbia (and to a lesser extent with those who are yet to recognise Kosovo), as shown by the suspension of the EU-facilitated dialogue while a local politician remained in detention in France at the request of Serbia.<sup>60</sup> It is not without reason that the Agreement already refers to the specific status of Kosovo, for which regional cooperation remains more difficult due to its particular recognition status.

Thus, this field will require extensive support from the EU, while developments are expected to come at a low pace. In fact, that is the trend shown by the experience thus far, with the technical dialogue slowly providing benefits. The most visible and recent example has been Kosovo finally obtaining a country dialling code from the International Telecommunication Union as a result of the Dialogue, only 9 years after the declaration of independence.<sup>61</sup>

Overall, a limited evolution is seen in the years passed since Kosovo signed its SAA with the European Union. In 2017, Freedom House has for the first time upgraded Kosovo from “semi-consolidated authoritarian regime” to “partly free” state, highlighting that the reform process, though slow and painful, has rendered results in many areas of government and society.<sup>62</sup> In that sense, its SAA has proven to be capable of strengthening the reform process, at least in the short term, as it was the case in all neighbouring states, with which it shares many commonalities. It is important, however, to keep in mind that Kosovo is just in the early stages of preparation, and as such, still dominated by a certain mood towards reform, as it has been seen that the early years are the most productive regarding rapprochement with European standards. Thus, this window of opportunity should not be wasted, and a strong commitment should be visible at each step, if the long road ahead is to ensure the desired goals.

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<sup>58</sup> European Commission, Kosovo\* 2016 Report, p. 6

<sup>59</sup> Freedom House, A Democratic Scorecard for the Western Balkans

<sup>60</sup> Assembly of Kosovo, Resolution Regarding the detention of the former Prime Minister of Kosovo, Mr. Ramush Haradinaj, in France, Pristina, 10 March 2017, available: [http://www.kuvendikosoves.org/common/docs/2017\\_03\\_09\\_Rezolutio\\_No\\_011.pdf](http://www.kuvendikosoves.org/common/docs/2017_03_09_Rezolutio_No_011.pdf) (accessed 05/05/2017)

<sup>61</sup> Balkan Insight, Kosovo and Serbia Reach Deal on Telecom, Pristina, 13 November 2016, available: <http://www.balkaninsight.com/en/article/kosovo-and-serbia-reached-an-agreement-on-telecom-11-13-2016> (accessed 27/04/2017)

<sup>62</sup> Freedom House, Freedom in the World

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