Eu Enlargement Perspectives: The Balkan Countries And Their Peoples

Iulian ONEAŞCĂ
European Institute of Romania

The principle underpinning the European Union is well established: Europeans better hang together or [most assuredly] they will hang separately. Wim Kok

Enlargement Reasons and Effects

The EU has been created to generate business opportunities and to foster development, improving its future prospects. Specific European mechanisms have been conceived to foster integration, such as deepening, widening and enlargement. In order to successfully prepare for globalisation, these processes need to continue. Up until 2009, when the treaty of Lisbon came into force, the contributions and initiatives of political personalities mattered more than democratic processes.

So far, the EU has a highly performing legal and administrative framework, within which individuals, firms and governments interact to generate income and wealth in the economy. European values, its governance and accountability practices are recognized conventional standards, transferred as such all over the world.

Globalization, population ageing and competitiveness require a larger market. That is why, the enlargement is a pro-active European policy, meant more to prevent than to treat and mitigate economic shortcomings. It is a win-win scenario for both the EU and its neighbouring countries. The businesses identify good opportunities in accession countries, especially for EU Member States. Their industries are buying most of the national assets, flood the markets and make billions. The west gets richer and the candidate countries gain recognition and access to development opportunities. The EU magnetic effect, following accession, bears fruit and the New Member States grow faster.

The EU’s enlargement possibilities are limited by the geographical criterion. Peace and stability remain essential and cannot be endangered by European Union transformation. A compact and peaceful realm may save undivided attention for development purposes, for the benefit of European societies.

Still, enlargement is pampered by paradoxes:

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1 Iulian ONEASCA is an expert in reform policies. He worked over 10 years as consultant within international teams of experts, supporting the reform processes in Romania. He also gathered experience in social policy in south-eastern Europe. Since 2006, he works with the European Institute of Romania. This paper reflects his personal beliefs and engages no institution.
• In general, the Westerners, like most people used to a good life, are conservative, struggling to protect their high living standards. Under such circumstances, competition should be unwelcome. Yet, when it comes to cheaper labour, they are opening their countries to foreigners.

• With each enlargement the common market gets bigger. New businesses are entering the EU. However, an opposed phenomenon can be observed: more and more businesses are leaving the EU, relocating in less costly environments, whether in New Member States, or in countries from other continents.

• People are one of the main reasons for enlargement. The labour supply is limited in EU, despite its growing unemployment, and the perspectives are not good: the population is getting older every year. Yet the labour force mobility of the New Member States within EU can be restricted by Old Member States for up to seven years.

• EU cohesion policy is a long term endeavour of "reducing disparities between the various regions and the backwardness of the least-favoured regions". Each enlargement brings into the EU further development disparities, converting the cohesion policy in a never ending transformation. The result is a much larger market, instead of an ever closer union of people.

Balkans Peoples - Gains and Losses

The wealth of nations lies with their people. Riches of above and underneath earth have no match. Without people to add more value to them, oil, gold, diamonds or any other precious matter, are of no use. That is why, generally, development relies on human capability and ingenuity.

Table 1 presents a rough picture of peoples in Balkans and the EU. It can be observed that the EU expects approx. 19.5% more peoples to join its 508 millions. The most numerous populations, 80.6 mil., come from Turkey, all the other six countries counting for less than 19 million people. Not only is the number of people important. Their age and growth are also significant. Compared to a median age of 41.2 years in EU, Turkey and Kosovo are the only countries in the region with a median age of less than 30 years. More importantly, the population growth is positive and significant in Turkey, which means that its accession will contribute to fighting the population aging phenomenon and labour shortages.

Along with the populations’ numbers and ages, these countries are bringing to the EU significant differences, accumulated over the years, in their search for growth. Figure 1 presents a perspective of the losses of the EU accession countries, based on inequality adjusted Human Development Index. As references, we have used three different groups of countries: one representing the Northern Europe, the most developed part of EU, in social terms, another group representing the larger family of Southern EU countries, and the third group, representing the New Member States.

The most important losses of the HDI are generally those owed to inequality in income. This is valid for all groups of countries. What is differentiating them is not only the magnitude of losses, between 10 % and over
25%, but the fact that these losses in income are accompanied by losses in the adjusted education index. The southern countries, Cyprus, Greece and Italy, show similar patterns with Macedonia and Turkey. The least affected is the life expectancy, even though the inequality is visibly increasing from the left side to the side right of the figure. It appears that Turkey is accumulating more inequalities than any other country in the figure. It is the price paid for its higher growth rates. An inclusive and pro-poor growth needs to be taken into consideration.

Balkans Peoples - Freedom of Movement Opportunities

Enlargement brings the EU fundamental freedoms closer to the people of Balkans. Gradually, they will enjoy the freedom of movement that provides plenty opportunities, such as for education, work and health care or tourism. The most appreciated is the movement for work, generally valued through temporary migration.

The issues of migration and integration policies enjoy more and more attention in the EU. The reasons are provided by globalization and by the pressing demands to counteract the aging population while improving the freedom of movement of the labour force in EU. Within efforts to build a Europe of citizens in the area of freedom, security and justice, the European Council adopted the Stockholm Programme for 2010-2014. The Chapter dedicated to proactive policies for migrants and their rights sets the objective of a common policy on immigration, ensuring, until 2014, rights and obligations comparable to those of EU citizens to third-country nationals legally residing in EU Member States (EC 2010 / C 115/01 par. 6.1.4.).

In this context, a group of national organizations (37), including think-tanks, NGOs, foundations, universities, research centres and institutions for equal rights, under the lead of the British Council and the Migration Policy Group, have designed and developed the migrant integration policy index (MIPEX). It is an assessment, comparing and improving integration policy tools based on European policies and international standards. The standards are deriving from the Council of Europe Conventions and EU Directives or European policy recommendations that complete the references to minimum standards. Best practices are fairly reflected.

MIPEX² offers a multi-dimensional picture of migrants' opportunities in 31 countries (EU, Norway, Switzerland, USA and Canada) to live and work as full members of society. The research builds on 148 indicators covering seven different areas of policy: labour market mobility, family reunification, education, political participation, long-term residence, access to citizenship, anti-discrimination. Migrant integration policy index is expressed as a percentage, by converting a 1-3 scale into a 0-100% scale for dimensions and policy areas, where 100% is the top score.

A general conclusion of MIPEX, based on data from May 2010, is that the integration of migrants from European countries, USA and Canada are on average only halfway to favourable policies, recording scores of approx. 50%. The north (Scandinavian countries, Belgium and the Netherlands) and south of Europe (Spain, Italy, Greece, Turkey).

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² The subject is presented based on the data provided by www.mipex.eu.
Portugal and Italy) are favourable or only slightly favourable to migrants, while most Member States are slightly unfavourable to these (see Figure 2). Only an overall score and the labour market mobility have been represented. One can easily see how the north emphasises its readiness for migrant integration, along with touristy Iberian and Italian Peninsula. When it comes to migrations for work, Germany joins the group.

**A Perspective of Societies in European Union and Balkans**

An image of social development in the world was hardly conceivable, until recently. The difficulty was to reflect the relative social progress of various human societies in diverse economic, cultural and geographical contexts.

Inglehart and Welzel\(^3\) (2010) conceived a cultural map of the world, drawing on data of nearly 400 comparative social surveys. Their conclusions on the evolution of society and on the modernization theory revision, strongly supported by econometrics, are important for shaping typologies of societies. Amongst these findings, we note the following:

- Certain mass attitudes related to modernization, are attributes of societies and are as stable as standard social indicators;

- Treated as domestic variables, these attitudes appear to have a predictive value, comparable to that of social indicators, used in explaining societal variables (e. g.: democracy);

- The average national results are legitimate social indicators.

In addressing global society, the World Values Survey (WVS) and European Values Study (EVS) provide the data sources of Inglehart and Welzel. WVS is organized by a network of social scientists, studying changing values and their impact on social and political life, under the direction of an association. Together or separately, WVS and EVS conducted five series of surveys between 1981 and 2007. Empirical data collected are representative for 97 societies, comprising approx. 90% of the world population.

The analysis of the WVS and EVS data drew Inglehart and Welzel (2010) to two dimensions of cross-cultural variation: one of traditional values versus a secular rational values and another of survival versus self-expression values. Their significance, according to the authors (2010), is as follows:

- Traditional values emphasize religion, ties between parent and child, traditional family and obedience to authority. Societies that embrace these values have a nationalist perspective and show a high level of national pride.

- Secular-rational values are the opposite of the above, emphasizing secularism, cosmopolitanism, autonomy and rationality.

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- Survival values prioritize physical and economic security, generating an ethnocentric perspective and low levels of tolerance and trust.

- Self-expression values highlight a high priority of the environmental protection, gender equality, increasing tolerance towards foreigners and homosexuals and indicate a concern for increasing participation in decision making in economic and political life.

The transition from the agrarian to the industrial society, associated with bureaucratization, rationalization and secularization, generates changes on the scale of traditional versus secular-rational values and the transition to post-industrial society, associated with existential security and creativity, produces changes on the scale of survival versus self-expression values (Inglehart and Welzel, 2010).

A representation of world cultures, through the 53 societies, grouped according to the two dimensions of cross-variation of values, is shown in Figure 3. It can be seen that the relative positioning of a society with regard to others largely respects the perception built on usual socio-economic indicators. Therefore, their grouping seems natural. The developed countries are mainly on the right side of the map, according to their economic progress that allows individuals to orient themselves toward self-expression, while the communist or ex-communist ones are on top of the map, according the secular values promoted in an absolutist fashion.

A detailed view of the map however draws attention to certain issues. Thus, both along the horizontal axis and along the vertical one, there are some relative positioning, seemingly contradictory:

a) On the horizontal axis:

- Turkey is the most advanced society in the Balkans, ahead of the EU member states Bulgaria and Romania, but behind Poland.

- Japan, one of the most developed economies in the world, is placed near the centre of the axis, behind the less performing main European and Latin American economies. The Asian social order seems strong enough to limit the individual’s orientation trend to self-expression as (s)he frees (her/him)self of the economic worries of survival. The non-Asian origin of modern civilization (democracy) seems to be confirmed by the difficulties of assimilating it. Conversely, the high rate of economic development did not allow its incorporation and the transmission of new social values.

- Mexico, located near by the vertical of the better performing France and Finland, but to the right side of Germany, Italy and Spain, reflects society’s relative independence of economic progress. The explanation stands in the very dense social fabric, which penetrated the barriers induced by high the inequalities specific to Latin America. The better positioning of Mexico in relation to many European countries is consistent with the analysis on life satisfaction (OECD Better Life Index, 2012), placing Mexico, along with Iceland and Canada, among the OECD countries with the highest rates of positive experiences, while western and central European countries, together with Japan and Korea, show lower levels of happiness.

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4 51.7 income gini coefficient 2000-2011 (HDR, 2011).
b) On the vertical axis:

- United States is at the same level as Poland, despite its economic superiority. The position can partly be explained by the multiracial and multi-ethnic diversity of the most numerous full democracy state. Diversity is maintained by immigration and by the racial and ethnic mix. Evolution adds to diversity a gradual recognition of the rights of ethnic groups and races and a growing tolerance against each other. Generally, the population is of Asian, Hispanic, indigenous, African and Caucasian origin and is fuelled, at least since systematic data can be analysed, i.e. from 1850 onwards, by a cohort of 5% to 15% of the total, of people born outside U.S., mainly in less developed countries. Immigration, legal and illegal, was generated by the demand of cheap labour. Other causes of U.S. low positioning should be sought throughout the American culture: the national motto,\(^5\) which promotes a certain cultural and religious identity, the individual high responsibility, the high levels of inequality and other effects of institutional policies, such as the prohibition of abortion, or the right to keep and bear arms. All these limit the speed of change, feed and maintain traditional values at the expense of secular-rational ones. The force of American institutions, which shape population behaviour and reinforce the societal specificity, is intensified by the frequent tests that society faces in its development.

The cultural perspective and the action of state institutions influence the relative position of societies on the vertical axis. Therefore, the social orientation of advanced Western democracies, as the one of less democratic communist and ex-communist states, inclined to authoritarianism and obedience, places them above the United States, less compact in terms of culture, but strongly market-oriented.

No less true is that the analysis data are not sufficiently nuanced to highlight important cultural differences, such as the strong faith built on freedom of choice, as element of identity for the U.S., and the dogma imposed by institutions and social traditions, in the case of Iraq and Poland. The effects seem congruent.

The delimitation of cultures lacks a clear basis. If the relative positioning of the states is the result of complex econometric calculations, the way they have been grouped is unjustified and unexplained by the authors.

The evolution of human societies from survival to self-expression values is strongly supported by scientific research. The close connection between self-expression values and key indicators of socio-economic development is proven by Table 2.

Inglehart and Welzel (2010) have considered a wide range of indicators, from some well-known and widely used, such as GDP per capita and human development index, to highly specialized indicators, developed by expert institutions like the World Bank or Freedom House, or reputable specialists. The figures show the existence of strongly significant correlations, often higher in all available societies than in a selection of high income ones. It is the highlight of the society’s relative independence to its economic development, supported

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\(^5\) A US Congress resolution of 1956 declared *In God We Trust* as national motto, (http://www.treasury.gov/about/history/Pages/1900-Present.aspx). The old motto, *E Pluribus Unum* – out of the many, one – can still be found on US coins.
by cultural particularities. We note the equally significant indicators for the two groups of countries (e. g.: Human Development Index - 75%), which show their ability to highlight the variety of factual circumstances, with equal power.

As far as the positioning of societies on the vertical axis is concerned, we note that on the scale of traditional values versus secular-rational ones, is not supported by similar correlations with corresponding indicators. It remains however, undisturbed, the cultural-institutional explanation of the relative positioning.

As a conclusion of the analysis, the predictive power of nationality is stronger than the income, education, religion and gender (Inglehart and Welzel, 2010:553).

The EU Enlargement Package

We cannot speak of the Balkans and omitting their relationship with the EU. They are part of the enlargement plans and the perspectives of joining the union are closer and closer. The EU enlargement policy is periodically reviewed. The European Commission adopted an important package of documents concerning its enlargement policy (10 October 2012), composed of:

- EU Enlargement Strategy Paper and,
- The Progress Reports for the last year of the candidate or potential candidate states.
- The Strategy Paper is accompanied by the multi-annual indicative financial framework for the pre-accession assistance, revised for 2013.

Nowadays, more than three quarters of the Member States are former enlargement countries, which speak for the EU adequate orientation.

The current enlargement policy strategy highlights particular challenges: the positioning of the rule of law in the middle of the enlargement policy, the regional cooperation and the reconciliation in the Western Balkans, as well as the economic and social situation. They are granted a special attention, just like during the previous years, benefiting of specific EU support, which includes the Instrument for Pre-Accession Assistance (IPA).

The Balkan countries and their membership perspectives have been clearly stated:

- Croatia joined the EU on the 1st July 2013.
- Montenegro; (Iceland); FYR of Macedonia; Serbia and Turkey are candidate countries.
- Albania; Bosnia and Herzegovina; Kosovo (under UN Security Council Resolution 1244/99) are potential candidates.
For the Balkans countries it is important that their reforms continue. The Commission’s message is that, essentially, the countries must firmly remain on the path of reform, especially in Western Balkans, leaving the legacy of the past behind and investing in their European future. EU shares an interest in the successful implementation of reforms, as enlargement is a joint endeavour. Maintaining the momentum for enlargement as well as for reforms are two sides of the same coin.
Table 1: EU population and the enlargement countries

<table>
<thead>
<tr>
<th>Region/country</th>
<th>People (mil.)</th>
<th>Median age (years)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU 28</td>
<td>508.1</td>
<td>41.2</td>
<td></td>
</tr>
<tr>
<td>Non EU members, of which:</td>
<td>99.2 (19.5%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Albania</td>
<td>3.0</td>
<td>31.2</td>
<td>0.29</td>
</tr>
<tr>
<td>Bosnia Herzegovina</td>
<td>3.9</td>
<td>40.4</td>
<td>-0.10</td>
</tr>
<tr>
<td>Kosovo</td>
<td>1.8</td>
<td>27.4</td>
<td>n.a.</td>
</tr>
<tr>
<td>FYR of Macedonia</td>
<td>2.1</td>
<td>36.5</td>
<td>0.22</td>
</tr>
<tr>
<td>Montenegro</td>
<td>0.6</td>
<td>38.7</td>
<td>-0.56</td>
</tr>
<tr>
<td>Serbia</td>
<td>7.2</td>
<td>41.7</td>
<td>-0.46</td>
</tr>
<tr>
<td>Turkey</td>
<td>80.6</td>
<td>29.2</td>
<td>1.16</td>
</tr>
</tbody>
</table>

Source: The World Factbook (estimates 2013) and Eurostat.

Figure 1: Inequality adjusted HDI 2011
Figure 2: An open and secure Europe, serving and protecting citizens - Migration Policy Index

MIPEX Overall Score 2010

Labour market mobility 2010

Source: MIPEX
Figure 3: An image of various societies on a global map

Source: Inglehart and Welzel (2010), Locations of 53 societies on a global map in 2005-2007, based on World Values Survey
## Table 2: Correlations between Self-Expression Values and Key Indicators of a Society’s Economic Development

<table>
<thead>
<tr>
<th>Indicators</th>
<th>High Income Societies</th>
<th>All Available Societies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Correlation</td>
<td>Number</td>
</tr>
<tr>
<td>A</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>GDP/capita 2002, in PPP (World Bank)</td>
<td>+0.43*</td>
<td>(29)</td>
</tr>
<tr>
<td>Percent workforce in service sector, 1990 (World Bank)</td>
<td>+0.47*</td>
<td>(29)</td>
</tr>
<tr>
<td>Human Development Index 2000 (PNUD)</td>
<td>+0.75***</td>
<td>(29)</td>
</tr>
<tr>
<td>Social Development Index 2005 (World Bank)</td>
<td>+0.71***</td>
<td>(21)</td>
</tr>
<tr>
<td>Index of Knowledge Society 2005 (UN)</td>
<td>+0.65**</td>
<td>(22)</td>
</tr>
<tr>
<td>Social Accountability Index 2005 (World Bank)</td>
<td>+0.64**</td>
<td>(21)</td>
</tr>
<tr>
<td>Global Creativity Index 2000 (Florida)</td>
<td>+0.57**</td>
<td>(24)</td>
</tr>
<tr>
<td>Social Cohesion Index 2005 (World Bank)</td>
<td>+0.54**</td>
<td>(21)</td>
</tr>
<tr>
<td>Internet Use 2003 (World Bank)</td>
<td>+0.25</td>
<td>(23)</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>+0.57</td>
<td>(30)</td>
</tr>
<tr>
<td><strong>Standard Deviation (SD)</strong></td>
<td>0.16</td>
<td></td>
</tr>
</tbody>
</table>

Source: Inglehart and Welzel (2010), * significant at 0.05, ** significant at 0.01, *** significant at 0.001.