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The mirage of European governance: How to resolve the “puzzle” of EU enlargement

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The mirage of European governance: How to resolve the “puzzle” of EU enlargement

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Abstract

The eurozone debt and economic crisis, which the EU is still struggling to overcome, opened other paths for European Governance. Moreover, Brexit and the COVID-19, have been added to other EU challenges such as climate change, security and radicalism, migration flows, and lastly public health emergencies. To a lesser extent, but with a direct approach on the capacity of the EU as a global actor and its "soft power", enlargement has been a controversial but effective tool to enhance the EU as a global actor. The challenges listed above have displaced the focus on enlargement, at the same time eroding the ability of the European model to emerge beyond its borders. The enlargement in southeast Europe has entered a spiral of different perspectives among Member States, affecting the efficiency of the European Governance in this region. Although this area represents less than 1% of the EU economy, the “ability” of distortion may question the claim of the EU as a global actor.

Keywords: European Governance, Western Balkans, Enlargement, Integration

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Employment mobility and labour market flexibility in the EU

1. Introduction

Since its configuration and inception, the European Governance (EG) and its model applied beyond the borders of the European Union (EU) have been a subject of debate and analysis, both academically and politically. The EU enlargement policy has extended the target of the EG, as a peace project, to improve governance and democracy. This policy has been exposed to both criticism from the conservative political perspective, and admiration for its social and market benefits. According to the European Commission (EC) the EG *is a set of rules, processes, and behaviors that influence the exercise of power at the European level and is extracted from good governance, a globally broader term, based on transparency, participation, efficiency, accountability, and consistency*¹.

Although in 2000 the Prodi Commission in its White Paper introduced an institutional frame of the EG, its “theoretical” approach has been “polished” among others by influences of Liberal-Intergovernmentalism (Moravcik 1993), which put the states at the center of European Integration and the EU as an international, not supranational institution; New Institutionalization (Person, Pollack 2005), underlining the factor of

¹ https://ec.europa.eu/europeaid/sites/devco/files/communication-white-paper-governance-com2001428-20010725_en.pdf pg. 9-10

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rational choice and constructivism as part of European Integration; Multilevel governance (Hooghe-Marks, 2001) that perceive the European integration melted in different level of decisions vertically and horizontally, which not confront directly with the sovereignty of the states; and Networks Governance (Kohler -Koch 1996) explaining the merger of public and private governance as part of European Integration. All these elements have neofunctionalist acquiescence, enriching the debate on "*European Polity*", which converges all the theoretical approaches that most influence the growing study of EU. Although, that the debate on governance lacks theoretical definition, in the European case it is outlined within the EU study and therefore linked to its theoretical convoy (Borzel 2018).

Academic opinion reiterates that one of the facets of EG, is the implementation of European regulatory power in Member States (MS) (Ladrech 1994, 2010), (Haverland 2000). Considering that this application also impacts some European countries that are not members, we can deduce that indirectly the countries that apply the EU standards are part of the EG, such as those of the Western Balkans (WB). In this mosaic, it is not a direct application but rather a derivation of European standards that the associated countries homologate or adapt in their legal system as a binding criterion of Enlargement Policy. The absorption of European standards is a necessary step on the path to becoming a member, and it occurs not only during the negotiation of the accession chapters but also in those cases where the association agreements serves as the pillars of the technical approach with the EU. The object of this analysis is its performance in countries that are closer to the effects of the European *gravitational power* (Telo 2001), as in our case are the WB. This article highlights the difficulties the EU faces in this region once the option of an agile enlargement has been obscured.

Similarly, intends to open other cooperation scenarios regaining confidence in European integration as an economic, but not only, space, that supposedly creates a habitat for sustainable development, social cohesion, and strengthening the rule of law. Until now, the EG, through its normative conditionality and implementation,

routinely called “stick and carrot policy”, lacks efficiency as an added value in strengthening the governance². Perhaps this has not been the purpose of the normative download part of CARDS, IPA I and II, the main financial frameworks programs of the EU in the area. In this scenario, the involvement of other actors with less regulatory burden is rivaling the European integration, also attracting the attention of the public policy of this area. This may lead to a shift from crisis management by EG to the crisis of European policy in WB (Borzal 2018).

The article is distributed in the following way: the second and third sections cover the facets of the EG in the WB, why this region is an indirect part of the EG and analyzes the mechanisms used, as part of the regulatory power of the EU strategy. The fourth section analyses the difficulties that the EG is facing, allowing other actors to govern the ground that the lack of a more agile enlargement has left behind. The fifth section analyses the difficulties that exist in some MS fatigued to continue with the enlargement in this region, highlighting France and the policy of Emanuel Macron that outlines European integration more symmetrically. The sixth section summarizes the conclusions and displays possible scenarios for the future of European integration in the region.

² World Bank Worldwide Governance Indicators WGI (Control of Corruption, Rule of Law, Regulatory Quality, Government effectiveness, Political Stability, Voice and Accountability) for the period 2007-2017 shows lack of significant change, ranking WB below 50 points in all the indicators, except political stability and lack of violence within notable achievements above 50 points. <http://info.worldbank.org/governance/wgi/#reports>

2. European enlargement facets in the Western Balkans

To better understand the EG and the scope of European integration in the WB, we calibrate our study and the process from the perspective of institutional rationalism and intergovernmental neofunctionalism. The EU in this regard is trading stability for the expansion of its governance network. The scope of European integration in this area has been adjusted as a premeditated action following the political and social consensus about it, and with this, we mean aggregate interests in MC.

It is important to highlight that the public and political opinion, academic, and why not social, departs from a critical analysis of the EU policy in the last 10 years for not implementing the full economic capacity to solve the problems of its citizens, mostly economic in the southern part of it. This perception also affects the enlargement of the EU governance. The COVID-19 has highlighted the problems of the public sphere to target, manage, and provide safer public health. In this regard, the economic crisis has sometimes turned the breeze into a storm on the European capacity to solve the problems of its citizens, especially in those parts most affected by the debt and economic crisis, in southern Europe, at the same time the most affected by COVID-19.

It seems that there is a correlation between the aftermath of the economic crisis and managing the pandemic crisis; The economic crisis triggered the eruption of nationalist outbreaks and populism in almost all countries concerned. Could the aftermath of the Pandemic crisis distort moreover this phenomenon? The new wave of neofunctionalism that started to take form after the fall of the Wall and the treaty of Maastricht, postulates the idea that the crisis spur integration. We witnessed how the European economic crisis strengthened European integration. Europeanists are surely eager to see how the Covid-19 will further affect this and other branches of EG. For the Eurosceptics this could be also an argument to “*spill back*” on EU integration.

From the perspective of “Low Politics”, this debate also extends to the countries part of the enlargement since the EU has been the international actor most exposed to

carrying out economic reforms and democratic processes in this region. By “low politics” we mean the elevated doses of intergovernmentalism that establish the route of the map on this process. Under the approach of the neofunctionalism, the MC, not the common institutions, marks the milestones and the dynamic of the enlargement.

Leaving behind the tumultuous decade of the 90s, this region began a tiresome process of accession in EU, initially starting a Stabilization and Association process. EU exchanged enlargement with stability process giving rise to an atypical new enlargement, focusing on the *peacebuilding* process, rather than enlarging the interior market or EU economy. Some countries are already members, such as Slovenia and Croatia, while others such as Serbia, Albania, Montenegro, North Macedonia are in a very advanced phase of gaining membership. Meanwhile, Kosovo and Bosnia Herzegovina (BH) are still in the process of consolidation as state entities and consequently maintain a close relation as quasi associated countries, therefore outside the scope of a possible enlargement.

This process requires among many efforts an alignment with the economic and political burden regulatory of the EU. Although EI grew in the incubator of the internal market, with the enlargement towards Eastern Europe, the rule of law become the cornerstone of European integration, at least in East Europe and even more restrictively in the southeast³. Currently, there is increasing interest in how and why eastern MS resists applying and structuring the rule of law according to the west

³ Until the enlargement with Romania and Bulgaria the EU divided the implementation of the *Acquis Communautaire* in 31 chapters of negotiations. From the negotiations with Croatia, Montenegro, and Serbia, it goes to 35 chapters, increasing the burden negotiations, among the most important are those 23 (Judiciary and fundamental rights) and 24 (Justice, freedom and security), which together deal with the strengthening of the rule of law. In the case of Montenegro, the EC has proposed more than 45 and 38 objectives for each chapter and for Serbia 48 and 50. For more information consult the BiEPAG report of January 2019. <https://biepag.eu/wp-content/uploads/2019/01/Strengthening-the-Rule-of-Law.pdf>

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perspective, considering EU claims in Hungary, Poland, and more perplexingly in Bulgaria and Rumania.

The European model has perhaps been the most successful in exporting governance models since the end of WWII. Consequently, EG is an important “shareholder” in global governance⁴, where the World Bank, International Monetary Fund, World Trade Organization, G20, G7, or Mercosur participate among others⁵. The environmental emergency and carbon emissions into the atmosphere, have added a new branch to world economic governance, which turns towards a more sustainable model or green economy. This regularization has its origin in the Kyoto protocol in 2005 and more recently in the Paris agreements in 2015. EU clearly aims to lead this process.

EG takes shape from the MS’s social models, liberal democracy, the social market economy, and the contribution of European institutions that have furnished with legal frame this governance. In other scenarios more than a model of governance we see influences characterized by direct aid without passing the filter of democratic quality, bringing up the model “*China in Africa*”, or the geopolitical influence that characterized the US model. The export of the European model emphasizes reforms of public governance including the essential role of its administration, democratic standards, and protection of human and fundamental rights. Part of this policy is the so-called, “*communitarian methodology*” or “*informal governance*” (Kleine 2013) that attempts to fill the gap of the “subsidiarity” mechanism with political elements. The export of the EG model turns around the EU “Soft and normative Power” that aims to use the gravitational power of the Union through free trade agreements, development

⁴ The US, National Intelligence Council and the Institute for Security Studies of the EU describe global governance as “All institutions, regimes, processes, partnerships and networks, which contribute to collective action and the solution of problems at the international level ”

⁵ <https://ec.europa.eu/info/sites/default/files/economy-finance/marco-buti-the-new-global-economic-governance.pdf>

cooperation, free movement of people, association agreements, and enlargement with countries that meets the Copenhagen Criteria⁶.

Today 30 years after the fall of the Berlin Wall, much of the former Soviet bloc are members while some are on the way to gaining membership. For others, the European impulse have instigated destabilization, as in the case of Ukraine, and perhaps Georgia. Despite that the EU in public opinion is merely conceived as Europe, the reality is different. More than 232 million Europeans, almost 50% of the territory of Europe, and around 10% of its GDP are not members of the common space. The controversy that causes the enlargement process, as well as the discrepancies that exist within the EU regarding this policy, tends to deduce that the EU will not be Europe as a whole. Consequently, from the neofunctionalism perspective, the EU is “*spilling back*” or simply not “*spilling*” in one of the aspects of the EI, as is the enlargement policy.

The dynamic of the EG is characterized by an ambiguous effect. The intent of the European institutions to standardize legal practices and improve democracy in countries with different levels of development is a controversial and difficult task. In this regard, the Agreements of Stabilization and Association⁷ served as the "mass muscle" of the European integration in Southeast Europe, while negotiating accession agreements are the base of a possible accession and technical fluidness of EG. The 35 chapters of accession are the greatest burden that public administrations must manage and implement, but also have a high conjunctural political dose that accompanies the

⁶ These criteria were introduced at the Copenhagen European Council in June 1993, and refer to the criteria that a country must meet for EU membership; Democracy, Human Rights, Market Economy, Protection of Minorities and Alignment with the *Acquis Communautaire*

⁷ The Zagreb summit in November 2000 was the starting point of the contractual partnership between the EU and WB. At this summit, the Stabilization and Association agreements were launched, as well as the process with the same name.

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communitarian methodology. Every chapters includes dozens of benchmarks that covers all the levels of public governance. Technically the countries part of the enlargement process have to fulfil more than 1000⁸ criteria to be able to meet the European standards. Above all, the chapter 35, (Other Issues) characterized by political hint could be an instrument of discretionarily on the hand of MS. The recognition of Kosovo from Serbia could be part of this chapter, at the same time the most imperative criteria that Serbia must overcome to be part of the EU.

The paradigm of this process is Turkey, which, for reasons that not only Europeanists but others also perceive, the enlargement beyond the technical burden has not been able to advance in European integration. From the European side, despite the concern that Turkey's distancing from European values and democratic standards produces under the Erdogan regime, (Gerhards and Hans 2011) the argument has served to freeze or even hinder the candidacy of Turkey since its application does not enjoy the approval of the European public opinion and a large part of the MS⁹. Thus, the denial of its candidacy fits with the authoritarian outcomes in Turkey and the Euroscepticism prevailing in the MS over possible accession¹⁰. At this stage, all parts are “benefited”. EU and MS have a strong and legal argument to deny the accession of Turkey. In the meantime, the Erdogan regime has also used a political argument to influence and improve populism against European values and the political process of accession, as is happening currently.

⁸ This is an estimation of the author.

⁹ Turkey was one of the first countries to sign an association agreement with the European Communities in 1963. Since 1995 the EU and Turkey signed

a customs union and since 2005 the Accession chapters have been negotiated, of which only one has been provisionally closed, related to with Science and Research

¹⁰ The FEUTURE project of the University of Cologne in Germany is one of the most important initiatives at the European level, which monitors relations between Turkey and the EU. The periodical studies conducted by this initiative reveal the great debate and the rejection of the public opinion of Turkey's entry into the EU. <http://www.feuture.eu/>

3. Balance of European enlargement in the Western Balkans

The EG in the WB and the complexity of the process highlights the ambiguity of this supposed enlargement. While launched as a peace project, 17 years after the Thessalonica Council¹¹ the promise to include the WB in the EU is now becoming more complex. In the middle of the COVID-19 storm in March, EC voted in favor to open negotiations with Albania and North Macedonia, while in October 2019, this decision was vetoed in the EC arguing the state of the rule of law as an impediment to open negotiations. Now both countries are on hold for the first intergovernmental meeting to set up the frame of the negotiations. Before the date, Albania must constitute the Constitutional Court, and perhaps guaranty a democratic process of the general election in April 2021, while North Macedonia is stacked by the Bulgarian historical claim against the “Macedonian identity”. During this process, North Macedonia has practiced an identity metamorphosis to attend to the demands of the public diplomacy of the neighboring countries.

Despite the start of the opening negotiations, the dray of integration can be stacked on the mud of the skepticism to extend EU borders. France and Netherlands are at the forefront to slow or even block the process. Even though the EC's approving reports¹² and the resolution of the European Parliament¹³, France, Denmark, and the Netherlands vetoed the opening of the negotiations alleging the rule of law and the

¹¹ Conclusions of the Thessalonica European Council in June 2003. <https://www.consilium.europa.eu/media/20847/76279.pdf>

¹² Communication 260 (2019) EC, recommending the opening of negotiations for Albania and North Macedonia, <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-communication-on-eu-enlargement-policy.pdf>

¹³ Text of resolution 2019/2883 RSP on the opening of accession negotiations http://www.europarl.europa.eu/doceo/document/TA-9-2019-0050_EN.html

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fight against organized crime. French President Manuel Macron characterized as a Neo-Golist¹⁴ compromise during his tenure as president, has not hesitated to act as such to emphasize the political motives and reform of the EU as primary impediments to advance on the EU enlargement. This posture led to criticism from a large part of the European leaders including the presidential triangle of the Commission, Parliament, and European Council¹⁵. However, surprisingly in the middle of the storm of COVID-19 in March 2020, EC which convened online, voted in favor to open negotiations for Albania and North Macedonia. This was probably the most opportune moment to avoid public and political debate over the enlargement process, as the Pandemic Crisis in the second half of March set Europe and the whole world on a devastating crisis.

Even though Montenegro and Serbia have started negotiated accession since 2012 and 2014, the trend of enlargement fatigue may affect even these two countries. For the first time since the launch of this enlargement, the process it emphasizes reasons within the EU, rather than the progress of these countries.¹⁶ This decision raised criticism against the EU and the countries that voted for non-opening the negotiations. Among the criticisms they emphasized; EU disloyalty to keep the promise of enlargement, consequently the stability of the WB, which can drift into another source of influences and strategic shift, as are quintessential to China and Russia.

¹⁴ <https://foreignpolicy.com/2019/02/11/macron-is-going-full-de-gaulle/>

¹⁵ Reaction against France, decision <https://www.reuters.com/article/us-eu-summit-balkans/france-under-fire-for-historic-error-of-blocking-balkan-eu-hopefuls-idUSKBN1WX1CT>

¹⁶ On his Tweeter page, Enlargement Commissioner Johannes Hahn, on October 18, lamented the veto on the two countries, underlining that this was a failure for the EU and its promise to enlargement with these countries, putting the emphasis for the first time on internal EU problems more than on reforms in the countries concerned.

The EU's enlargement policy has been accompanied by a considerable deployment of financial aid under the IPA I and II programs¹⁷ (Pre-Accession Instruments¹⁸), a higher concentration of European diplomacy to increase regional interdependence and progressive change of institutional capacities and the strength of the rule of law. All this effort makes this region the first field of EU action beyond its borders, and the EG a crucial component of stability and development in Southeastern Europe. For the EU, this is not only a function of its claim to lead the peace in Europe, a preamble for its foundation, but also a mechanism of stability in those regions where “soft power” attends its strategic expectations, to spur development and democracy. In this respect, the EU recognizes its limitations as a global actor and concentrates its gravity power to increase not only the economic interdependence with the WB but also turns its role into the beacon of public policy and social development of the countries concerned.

Since the association agreements were signed and thanks to the EU aid, the region has overcome ethnic fragmentation and intraregional hostilities. The regional cooperation framework is reflected in some initiatives promoted by the EU, such as the Regional Cooperation Council (CCR) and the free trade agreement CEFTA (Center European Free trade Agreement), which previously performed as a trade agreement in Central European countries before joining the EU. The result of this framework has been the strengthening of regional cooperation, which is one of the most important pillars of European integration in the region. Even so, different sources of

¹⁷ On the 5-th of October of 2020 the President of EU commission Ursula von der Leyen announced the IPA III, around 14 billion euros, for the period 2021-2027, including Turkey

¹⁸ Launched in 2007, it is the most important financial framework for EU assistance to accession countries. For the period 2007-2020, more than 20 billion euros have been allocated, divided into 5 blocks: Reform of Public Administration, Rule of Law, Sustainable Economy, Agriculture and Social Development.

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tension and uncertainty persist, such as the future of BH or the relation between Kosovo and Serbia. Undeniably, the most important achievements of EU has been the post-independence transition of Kosovo and the agreement of the name of the former Yugoslav Republic of Macedonia, which finally, thanks to EU pressure and a personal commitment of German Chancellor Angela Merkel, agreed to be named as North Macedonia. Meanwhile, the relation between Kosovo and Serbia and the possible scenarios of territory changes, promoted by the Trump administration, and rejected by the EU, remain pending.¹⁹ The Biden administration will probably shift alongside EU policy over this dispute. Biden has been a strong supporter of Kosovo independence and the NATO military campaign in Serbia in 1999²⁰.

During this period, the EU has assisted the public policy and the discharge of European legislation. The Acquis Communautaire and other forms of EU policy, and especially its foreign policy²¹, have been the beacon of legislative activity and public policy, on associated countries. On the other hand, the WB has been fully collaborative to handle emigration flows and fighting radicalism as key issues for EU security. These challenges have set off a new facet of this approach, putting emphasis on the capacity of the WB to act as a crutch in the challenges facing the EU. Its geographical position

¹⁹ This possible solution that would lead to the recognition of Kosovo by Serbia, and the EU countries that still do not recognize Kosovo, revolves around the option of exchanging territories between Serbia and Kosovo. Respectively the territory in the north of the city of Mitrovica populated mainly by Serbs would join Serbia and the Serbian territory in the south of the country, the Presevo and Bujanovc valley inhabited mainly by Albanians, would pass to Kosovo.

²⁰ The dialog process between Kosovo and Serbia was part of presidential campaign in US. Trump, trumpeted on his campaign the deal between Kosovo and Serbia on the Oval Office in September 2020, mentioning his reconciliatory labor between Orthodox-Serbs and Muslim Albanians. He also involucrate Israel, inviting Benjamin Netanyahu to greet both leaders during the meeting. During the meeting Kosovo's prime minister promised to open an embassy in Jerusalem, even that till now Israel does not recognize Kosovo's independency. The same decision was proclaimed also by Serbian president.

²¹ Serbian harmonization with the foreign policy of EU until 2019 was only 59% (24 out of 41 of the EU's decisions were backed by Serbia.

in the middle of the routes that link Western Europe with Asia has helped in the geostrategic analysis of the EU to classify southeast Europe as essential for its security²². This element has propelled the relations between the two blocks in new areas of cooperation and at the same time has served the European partners to look at the region in a new dimension.²³ Even so, this has not served as an accelerator for membership in the EU. The truth is that after the enlargement skepticism, especially French, the enlargement of the EU enters a new phase of uncertainty. Since the launch of the enlargement policy, a new facet has come to light that prevents new accessions, including, of course, Brexit, EU reform, the need or not to go ahead with enlargement and the political consequences that may arise, which turn the EU in even more asymmetric political union.

4. Enlargement and the “debt trap diplomacy”

As mentioned before, the EG has also been the object of study in its external aspect, known as the European model. Today European integration, in part, is synonymous with the political and public discussion in the WB. European integration stands out among several alternatives, shading any option that does not include accession. For this reason, most of the WB citizens approve the European perspective²⁴. Although, this approval is volatile²⁵. Since 2001 when Stabilization and Association was launched

²² Incidence of WB in the conclusions of the European Council, where the refugee crisis and terrorism as a product of Islamic radicalism stand out in the period 2014-2017. Pg. 2 [http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/615678/EPRS_BRI\(2018\)615678_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/615678/EPRS_BRI(2018)615678_EN.pdf)

²³ EPSC (European Union Political Strategy Center) report in May 2018. https://ec.europa.eu/epsc/sites/epsc/files/epsc_-_brief_-_engaging_with_western_balkans.pdf

²⁴ WB public opinion on the European Integration <https://biepag.eu/wp-content/uploads/2020/12/Between-a-rock-and-a-hard-place-English.pdf>

²⁵ Balkan Barometer 2019. <https://www.rcc.int/pubs/89/balkan-barometer-2019-public-opinion-survey>

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and since 2003 when it promoted for the first-time accession, the EU has been a key player in the democratic process in these countries being the most successful actor to promote regional cooperation as is the case of the diplomatic conflict between Greece and North Macedonia, relations between Kosovo and Serbia; stability in BH and democratic process in Albania. In other words, European integration has been a substantial guarantee of stability²⁶. Its absence could have led to confusion about the democratic processes in the region. On the effects of EG and the pacification of the region, there is a broad consensus on its role in creating stability and putting countries on the development track. What generates debate is the effectiveness of the EG in the WB and if this element has sustained the new adhesions or has merely implemented the guidelines that make possible the economic, social, and political transformation, and above all pacification of the region, but without focusing efforts on enlargement²⁷.

The CARDS financial frameworks²⁸, IPA I and II have focused their attention on progressive change and the strengthening of the rule of law as the most important pillar for economic development, institutional strengthening, and democratic quality. To boost further the effects of EG and fill the gap caused by the European economic crisis, Germany launched in 2014 the Berlin Process as an additional incentive to attend to the region's infrastructure needs, (Agenda of Connectivity) and promote the resolution of disputes still pertinent between countries subject to this initiative.

²⁶ World Bank Worldwide Governance Indicators WGI for the period 2007-2014, which coincide with the effect of the Stabilization Associations Agreements valued positively political stability and lack of violence within notable achievements above 50 points. <http://info.worldbank.org/governance/wgi/#reports>

²⁷ For more information, consult the World Bank report on governance index and evolution since the 2000, which coincides with the financial assistance from the EU. <http://info.worldbank.org/governance/wgi/Home/Reports>

²⁸ "The Community Aid for Reconstruction, Democratization and Stability" was the EU's financial assistance program from 2000 to 2007. This program target only the Western Balkans, including Croatia.

In October of 2020, the president of EC Ursula von der Leyen announced the new strategy of Enlargement, sailing towards infrastructure projects and including the WB on the EU green economy transition²⁹. Until now, EU governance has been focused mostly on the normative transformation more exactly on the first and component of IPA (assistance for transition and institutional building). The new strategy aims to spur economic development throughout public investments and public policy. For this purpose, EC have changed his strategy focusing on socio-economic development rather than on the normative strategy. In this regard the new strategy is targeting Green and Digital Transition, Infrastructures including also the Ten-T³⁰ project in the WB. The new strategy responds to the WB countries claim for more infrastructure project on the area. At the same time this new approach of the EU governance tends to face the Chines Belt and Road projects which is already in the region and an important pillar on infrastructure and economic development in the WB.

Financial assistance has undoubtedly played an essential role in fostering good governance and has brought the region even closer to European standards. The social pressure and public opinion have facilitated the landing of Europeanization on these countries. Although, the region and the EU are witnessing the rise of Chinese influence by the Silk Road³¹, project and Russian policy through its attempt to counterbalance

²⁹ EC communication 641, (2020) https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/communication_on_wb_economic_and_investment_plan_october_2020_en.pdf

³⁰ The TEN-T Programme, was established by the European Commission to support the construction and upgrade of transport infrastructure across the European Union. This program has allocated up to 40 billion euro to support infrastructure project in EU.

³¹ For the period between 2010-2017, China allocated more than 7.8 billion euros in the region in the form of credits, and around 780 million euros in financial aid; 29% of which in Serbia. These credits were mainly used in infrastructure, energy, and industrial machinery sectors. https://www.eib.org/attachments/efs/infrastructure_investment_in_the_western_balkans_en.pdf

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western power. Serbia³² in particular has become the regional anchor of China's influence with an increase from 6 to 20% of the direct investments in the country. On the other hand, a 1.5-billion-euro loan from the Chinese bank EXIM is being used to finance the construction of the railway line between Belgrade and Budapest. In response, Serbia bought military equipment from China, mainly drones, while the giant technology company Huawei has been commissioned to install more than 1000 facial recognition cameras in Belgrade to increase public security, part of the "Safe Cities" program³³. In 2016, the Chinese president visited Serbia, and the "Silk and Road" project implemented by the Chinese construction company "powerchina", which committed to start building the Belgrade Metro by 2021. In 2019, 10% of tourists that visited Serbia came from China, while during the peak of the tourism season, Chinese and Serbian police forces, patrol the streets of Belgrade to attend to Chinese tourists.

In total, since 2012, Chinese investments and infrastructure projects in Serbia have increase to 8.5 billion dollars, representing 20% of all Chinese business and investments among the 16 + 1 space³⁴. The one dominated " *Debt trap Diplomacy* " has also caught on BH and Montenegro³⁵, where a Chinese loan of more than 1.3 billion

³² On the 18-th of March in the middle of the COVID-19 crisis, President of Serbia Alexander Vucic , venerated the Chinese medical aid and brotherhood, while welcoming at the International Airport Nicolas Tesla of Belgrade, the first cargo from China which included medical equipment also a group of doctors to attend the emergency in Serbia. During this act he lamented the lack of solidarity of the EU.

³³ For more information see <https://e.huawei.com/jp/news/smart-cities/201810150942>

³⁴ Economic initiative of China 16 +1 countries in Central and Southeast Europe. For more information <http://www.china-ceec.org/eng/>

³⁵ The BH parliament approved in March 2019 a Chinese loan from EXIMBANK, for a total of 614 million euro, to build a carbon energy production plant in Tuzla. The enlargement Commissioner Johannes Hahn expressed his concern about the construction of the carbon plant, underlining BH's commitment to respect the agreements with the EU, which refer to the reduction of energy production through carbon.

euro has skyrocketed the country's debt from 63 to 80% of its GDP.³⁶ In Albania, the Chinese company Geo-Ged Petroleum Corporation bought the Canadian company Bankers Petroleum in 2016 for 384 million euro, formerly the Albanian public capital company of oil extraction. In 2016 the Chinese company China Everbright Group of state capital associated with the Chinese funded Friedmann Pacific Group, acquired as a concession for 10 years the only international airport in the country.

Chinese investments have also extended in MS, part of the region. In 2018 the Chinese Road and Bridge Corporation (CRBC) gained an EU public procurement to build the bridge that connects southern Croatia with the central part of the country funded in 85% by the EU. This project was the first awarded by the EU to a Chinese public company, reducing its initial cost by almost 100 million euros, down to 340 million euros. This project echoes the great capacity that China is showing in the promotion of infrastructure lines and its ability to compete at lower costs compared to the European consortiums. Furthermore, this project has been commented as the gateway to large infrastructure projects where China can compete not only in the region but also beyond in Europe. Another example is the expansion of the port of Piraeus in Greece, an investment by the Chinese public maritime transport company (COSCO), of 640 million euros, which aims to make this port the largest in Europe. As a result of China's economic projects in the country, Greece blocked in June 2017 a common declaration of the EU in the United Nations Human Rights Council, which warned

³⁶ Much of this loan is due to the construction of the highway connecting the Montenegrin port of Bar with Belgrade. Montenegro tried in two occasions to finance this project with European funds and the European Investment Bank, but two independent studies (Luis Berger and URS) on the viability of the project, argued that the commercial flow of the project did not justify the cost of it. As reported by the Financial Times newspaper, the terms of the contract drew attention; In an alleged arbitration for non-payment, Chinese laws and courts would apply, while the project is being carried out by the company CRBC (China Road and Bridges Corporation) <https://www.ft.com/content/d3d56d20-5a8d-11e9-9dde-7aedca0a081a>

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about the violation of human rights, especially on the death penalty and freedom of expression.

The rejection and the uncertainty over the opening of negotiations with Albania and Macedonia, intricate the Russian ambassador to the EU Vladimir Chizhov, who during the economic forum of EEU (Euro-Asia Economic Union) in Verona in October 2019, invited the countries vetoed in the negotiation process to be part of this union, highlighting the lower level of conditional and regulatory burden, and more economic advantages. To complete the range of reactions to this veto, the State Department through its spokesperson regretted the decision of the European Council, while other US diplomats more involved in the region blunted their diplomatic language by underlining that the EU continues to have a 19th century vision on the region

Serbia, Albania, and North Macedonia launched in October of 2019 the project called the "Balkan Schengen" that aims to create a Western Balkan space of free movement of people and goods, which parallely has been an EU recommendation to supposedly experience internal market effects if the enlargement process comes to include these countries. This initiative has also invited Kosovo, Montenegro, and BH. The economic weight of the region is approximately 0.40% of the EU economy (80 billion euro) with a population of nearly 20 million people. The EU holds 75% of the flow - trade of the WB, and for the EU the trade with the WB represents about 1% of its volume. The EU is the source of 70% of direct investment, while GDP per capita is nearly 40% of the EU average.

The EU-WB partnership, despite a solid alliance and a strong European social perception, tend to be prone to other economic partners such as China. The region, witnessing a foggy commitment to enlargement, wants to take advantage and perhaps even change loyalty, considering the insistence of other partners, able to meet the demand for development of the poorest region of Europe. For many analysts'

Chinese investments in the East and southeastern Europe under the forum 16 + 1 is a geopolitical shift that aims to compete with the EU. This conclusion was also reflected in the EP conclusions on the state of relations between the EU and China in September 2018.³⁷

5. Enlargement fatigue, in the integration marathon

The most fatigated countries with the EU enlargement, like France, Denmark, and the Netherlands, beyond the structural reasons based on the lack of rule of law and the fight against organized crime, revolve around the enlargement fatigue that characterizes in general western Members States. President Macron has enriched his speech against the enlargement, with a pessimistic tone about the geostrategic role of the EU.

*"I think the EU is on the brink. I do not know if I am pessimistic or I am painting a blurred drawing. I just want to say that if we don't wake up to face this situation and do something, there is a considerable danger that in the long term we may disappear geopolitically, or at least we will not be controlling our destiny"*³⁸

Part of this plan is also the reform that France wants to include in the EU, that the French president advanced in his speech at the Sorbonne University in September 2017³⁹. The challenges posed by some MS part of the big enlargement in 2004, have enriched the debate against future enlargement. Since the drift of authoritarianism in

³⁷ http://www.europarl.europa.eu/doceo/document/TA-8-2018-0343_EN.html

³⁸ Interview of the French President Manuel Macron on November 7, 2019:
<https://www.economist.com/europe/2019/11/07/emmanuel-macron-in-his-own-words-english>

³⁹ Full speech of President Macron:
<http://international.blogs.ouest-france.fr/archive/2017/09/29/macron-sorbonne-verbatim-europe-18583.html>

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Hungary, the separation of powers in Poland, Euroscepticism in some political sectors in the Czech Republic, culminated by the country's president, mafia involvement in political elites in Slovakia and Malta, or poor social progress and the weakness of the rule of law in Bulgaria or Romania⁴⁰, are some of the reasons that emphasize the efficiency of the enlargement. Despite these reasons, the internal market has benefited greatly from this expansion. This debate has also been fueled by the flourishing of populism in the MS, due to the emigration and economic crisis. The aftermath of COVID-19 can even alter more this debate.

Among the Europeanists, new enlargements can clear out the way of an asymmetric EU especially among founding countries (Moravscik, Schimmelfenning 2003). As a result, from a rational choice perspective, enlargement becomes a forced-choice considering the balance of opportunities. This balance falters even more with Brexit because it will concentrate more power among the members who, through the lenses of aggregate interest, want to relocate their power in the decision-making process. In the scenario of a broader and asymmetric union, there is more reason to believe in a federalist project in that part that links federalism as the final scoop of European integration (Pinder 1992, Weiler 1999, Burgess 2004). Brexit brings oxygen to this debate as the United Kingdom was the stick between the wheels of European integration. In some respects, the UK had been an impediment in European integration as Schengen, Euro, Foreign Policy, among others. Despite that some of these achievements are characteristic of the federal models, the European federalist project might have *suis generis* roots as is usual of the European integration model since its creation. In this respect we can expect a different way of federalism, a model that

⁴⁰ The Vice President of the European Commission, Franz Timmermans pointed out in May 2019, during the Romanian Presidency of the Council, that the country could face the consequences of the application of Article 7 of the EU Treaty, due to deficiencies in the judicial system, in the case of the appointment of judges, and impunity in corruption cases.

fluctuates between intergovernmentalism, new institutional rationalism and neo-functionalism.

According to the French view at the mouth of president Macron, the entry of new countries could complicate even further the agreement in the Council since the voting system would broaden the political weight of the smaller countries. Therefore, unanimous agreement within the Council would be even more difficult (De Witte 2019). On the other hand, the entry of countries with incomes below even 50% of the European average would mean an increase of the EU budget, in a period when the EU enters a deficit phase, due to the Brexit and COVID-19 reconstruction funds. These influences are growing the role of populist parties that have taken shape over the past decade and have strengthened even more in those countries that have a solid tradition as is the case in France with Le Pen (Wunsch 2017). This may be one of the reasons why Macron is reluctant to new adhesions, considering what a Europeanist speech would mean for his re-election as president, at a time when the French electorate and the “*Gilets jaunes*” movement have shown signs of Euroscepticism. All the options show that the re-election of Macron in 2022 will be even more complicated, while populists are rubbing hands over the opportunities that the crisis of COVID-19 can create to reach the power.

Before the COVID-19 crises, economic analyzes and financial studies were echoing the idea that in the next decade the European economy will enter into a cycle of “*Japanification*”⁴¹ putting the emphasis on the very low growth, inflation below 1% or negative, complicating even more the expansion of the European economy. However,

⁴¹ <https://www.bloomberg.com/news/articles/2019-06-23/japanification-of-europe-is-here-and-escape-isn-t-easy-ing-says>

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the economic response to the COVID-19 crisis is now another consideration for these predictions. This factor, more than the economic effects of the possible enlargement, since it is less than 1% of the entire EU economy, warns about the reduction of the European economy and the uncertainty of its weight in the future, the increase of social expenditures and its ability to make structural aid an effective tool for European cohesion.

In this debate the EC, Parliament as the institutions most visible of EG have been the institutions most exposed to criticism by slowing down the enlargement process. The EC has gone through controversial process on the enlargement, from the negative reports on the accession of Bulgaria and Romania that were eventually overshadowed by the political decision to accept these countries, to the favorable decision to open negotiations with Albania and North Macedonia, and the posture of France and Netherland to freeze this process.

Considering that the enlargement policy operates under the Commission for Enlargement and Neighbourhood and part of the Common Foreign Policy, decisions of the Commission cannot be explicitly implemented, as occurs with interior market. The European Parliament is the only stage that can politically pressure the European Council. In this regard the final decision oscillates in the drift of the political consensus in the Council, precisely in the diagnostic part given as *network governance*, with a high deliberative value. Although the EP has on many occasions supported the Commission's decisions on enlargement, its political intention fades on the weight of the Council that has the last word on possible enlargements. For those looking for reasons of democratic legitimization of the Union, this may be an argument to be underlined. However, this does not detract value to an increasingly more democratic EU.

Discussion over European integration among Parliament, Commission and Council is a perpetual debate among the three institutions, as this triangle perceived

enlargement and European integration differently. If the Commission is governed by the technical rules and the legal basis resulting from the treaties, the Council operates beyond the glasses of aggregated interests of the MS, who can make a political reading of the process, from the state of the inter-ethnic relations, the paradigm of the rule of law, the democratic quality or the geostrategic behavior of the Balkan countries. In the institutional triangle the EP, despite increasing their political influence still in some respects, cannot push further beyond its limitation, decisions that has to do with the sovereignty of each MS deciding on new members. In the same way, it will be relatively difficult for the EC to oxygenate the technical process of enlargement and the exercise of its governance model in some aspects of EI where no unanimous vision exists. The EC in this case has always gone hand in hand with the political statements of the Council, which in the same way has been an added incentive to be able to move forward with enlargement. Over the last 10 years the Council has reiterated in its political statements that the WB has its future in the EU but is not clear how resilient the WB or other actors involved in this process will be at this perspective.

6. Conclusions

The EG in southeastern Europe has been able to encourage the Europeanization of the region and unloading part of its model in public administration and legislative initiatives, as an inseparable part of this process. This approach has helped the EU to keep the region on the tracks of European integration, which has had as its main goal the stability of the region and its approach to European standards, but not enlargement. Instead, the expectations of countries subject of this process has been of a more visionary enlargement and less regulation, but have clashed in the first place with the effects of the economic crisis, the deviation of the priority of the MS and the EC, to other sources of uncertainty as it has been the Brexit, the emigration crisis, the challenges of climate change, and lastly but more important the aftermath

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of the pandemic crisis. To deal with this situation and continue to keep the WB close to European policy in the absence of enlargement, the EU could evaluate including the region in the EEA area (European Economic Area) together with Norway, Iceland, Switzerland, and Liechtenstein. This option has been rumored as an alternative, considering the rejection of some MS to the EU enlargement. This step could meet some of the expectations of the citizens of the Balkan countries, who want to enjoy some of the EU freedoms.

Despite the achievements of this area on regional cooperation and the rule of law, the political sensitivity of some MS could be one of the most challenging impediments to overcome. The situation in the MS is increasingly volatile, which will make it challenging to have a common position in future accessions even for the countries that are closest to this process, such as Montenegro and Serbia. The new Commission under the leadership of Ursula von der Leyen, to keep the pulse of integration will have to find additional mechanisms of which the EU has been using to this day, as were the association agreements and the programs IPA. We consider the European Integration, product on neofunctionalism historically linked with the crisis that Europe has experienced after WWII. This characteristic of EI can unchain other forms or even deepened European integration, as well as open other paths to refresh the enlargement fatigue and keep the pulse of integration for the WB.

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