

## **Party Positions, State Capture and EU Enlargement in the Western Balkans**

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*Paper prepared for the Annual Meeting of American Political Science Association,  
San Francisco, September 2015.*

The study of EU conditionality has focused on how the governments of candidate states have changed domestic policies, laws and institutions in order to qualify for EU membership. However, political parties are arguably the most important and most proximate source of domestic policy change – and thus of compliance or noncompliance with EU requirements. Scholars have shown that ruling political parties rarely comply with the EU's external requirements if the costs of compliance are too high and threaten to undermine the domestic sources of their political power. After twenty-five years of observing post-communist party systems, we also know that extremist and nationalist parties rarely fade away. Consequently, it is important to understand how parties construct and change their agendas, and how these agendas are translated into government policies if they win power. EU enlargement, meanwhile, has been under the spotlight: It has been called the most successful democracy promotion program ever implemented by an international actor. Yet it has also been held liable for weak rule of law in new EU members, and lately for the dismantling of liberal democracy by the Hungarian and also Polish governments. It is therefore also important to understand how and under what conditions the key instrument of EU leverage – using conditionality to moderate parties and shape government policies – has been successful.

The *adapting model* holds that party systems of EU candidate states follow a predictable evolution over time – and this is caused by participation in the EU's pre-accession process. In almost all cases, major political parties have responded to EU leverage by embracing agendas that are consistent with EU requirements in the run up to the launch of negotiations for membership. As a consequence, the party systems – at least for a while – have reflected a consensus on the general course of policymaking since

joining the EU is a foreign policy goal with such substantial domestic requirements (Vachudova 2005; 2008). The underlying logic is that during this period political parties need to adopt EU-compatible agendas in order to stay in the political game.

Candidate states in post-communist Europe where regime change in 1989-1990 was followed by illiberal democracy or authoritarianism were the most interesting. For key parties in these states, pushing for EU accession is a marker of significant moderation in their agendas, including support for democratic standards and economic reform. Here adapting has usually come in two rounds: In the first round, reform-oriented parties in opposition to the authoritarian ruling parties rally around a pro-EU agenda and adapt to it, often changing their positions on issues such as ethnic minority rights and domestic reform. In the second round, the authoritarian and anti-EU parties themselves “adapt” their agendas to fit with liberal democracy and EU requirements, realizing that this is the only way to get back into the electoral game. Changes in the positions of major parties in Romania, Bulgaria, and Slovakia all fit the expectations of the model (Vachudova 2008).

What about political parties in the Western Balkan states that have followed in the EU’s pre-accession process? Are major political parties changing their agendas to make their positions EU-compatible? The purpose of this article is to see how well the model explains political change in the region. There are two broad types of party systems. In the first, as the model predicts, office-seeking parties have responded to strong incentives to change and moderate their positions in order to become EU-compatible. Qualifying for EU membership has been broadly understood by citizens and elites as the best way forward for the country, and this has eventually been reflected in how the country is governed. As predicted, some large parties in Croatia and Serbia changed their positions substantially. This is especially important because a decade ago Serbia seemed like the least likely candidate for “Europeanization” in the whole region. While Serbia is still a candidate, Croatia has been an EU member since 2013 – and with membership we see polarization on identity issues among Croatian parties that resembles some post-communist party systems that joined the EU earlier, suggesting another trend.

In the second type, the EU has not been able to transform its potential leverage into strong incentives for politicians and parties to behave in ways that are consistent with qualifying for EU membership. We show how parties in Bosnia and Macedonia have in

fact adopted positions over the last five years that are less and less consistent with the project of qualifying for EU membership. These party systems have been captured by small groups of elites who profit from the status quo; to protect it, they keep the EU at bay, and use nationalism to deflect attention from rampant corruption and abysmal governance. This has sparked greater levels of grassroots mobilization and protest in recent years. So far, however, mobilization has been largely unsuccessful in changing party agendas or government policies. In both cases, there is something “blocking” the usual mechanisms of EU leverage on candidate party systems: for Macedonia it is the Greek veto of any progress toward membership; and for Bosnia it is the labyrinthine Dayton institutions, and the ethnic divisions that they reify.

The rest of this paper is organized in four parts. The first presents a brief sketch of the main theories about how external leverage impacts domestic candidates in EU-eligible states. The second part sets out the adapting model and describes how, as part of a wider body of work, we measure the positions of political parties in post-communist party systems using the Chapel Hill Expert Survey (CHES). The third explores party change in Croatia and Serbia. The fourth section looks at party change in Bosnia and Macedonia.

## **1. Theory: How Does EU Leverage Work?**

When it comes to the mechanics of EU leverage, for two decades now the basic equation underpinning the enlargement decision has not changed: The substantial benefits of joining the EU and the costs of being excluded create incentives for post-communist governments to satisfy the EU’s comparatively vast entry requirements. Membership brings economic benefits and also a geopolitical change of fortune through the protection of EU rules, a new status vis-à-vis neighboring states, and a voice in EU institutions. These benefits continue to be substantial despite the financial crisis and the loss of confidence that have plagued European integration since 2008 (Vachudova 2014). In comparison, other international organizations and other kinds of external actors still have, individually, much less to offer – and have asked for much less in return. The underlying dynamic of the EU enlargement process is still asymmetric interdependence: the

candidate states stand to gain more from joining the EU than do existing members (Moravcsik and Vachudova, 2003).<sup>1</sup> It is therefore in their national interest to comply with extensive entry requirements in order to secure membership through a lengthy and uncompromising process – and one that is imposing more conditions on the Western Balkan candidates than on previous candidates.

What kinds of domestic changes can EU leverage really help bring about, and what are the causal mechanisms that translate EU policies into consequential domestic change? In its most basic form, the EU enlargement process helps lay bare the agency of elites and the weakness of institutions. Scholars have shown how the EU's pre-accession process has shaped policymaking in specific policy areas, especially those where the EU's *acquis* is extensive and well enforced (Epstein 2008; Grabbe 2006; Jacoby 2004; Kelley 2004; Schimmelfennig and Sedelmeier 2005). Here the key causal mechanisms include government officials responding directly to conditionality, and domestic actors using the EU process to further their *acquis*-compatible policy goals. The causal chain, however, can be much more fascinating and complicated: Connor O'Dwyer shows, for example, that in the area of LGBT rights it was the mobilization of hostile groups in response to the EU's demands that sparked the mobilization and organization of groups that have been able to push domestically not just for legislative changes but also for changes in social attitudes (O'Dwyer 2012).

More broadly, EU leverage can help determine regime type by pushing states from one trajectory of political change to another. While in some cases EU leverage reinforces an existing liberal democratic trajectory, in other cases it has been critical in helping to move a state away from illiberal or authoritarian rule (Vachudova 2005, 2008; Cameron 2007). Here the causal mechanisms center around political parties: over time even formerly authoritarian political parties adopt an EU-compatible agenda in order to stay in the political game because competing political parties, interest groups, local civil society groups and even voters have coalesced around the goal of joining the EU.

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<sup>1</sup> If we take GDP as a rough indicator of a discrepancy in power, Western Balkan states' combined GDP in 2008 was only 0.98% of the EU27 GDP. Reflecting the already extensive economic reliance of Western Balkan economies on the broader European currents, the effect of the Euro crisis has in fact been to slightly reduce this percentage further. Using the 2013 data Western Balkan economies combined (Croatia still included) had only 0.84% of the EU27 GDP. Calculations by the authors, based on World Bank economic indicators.

Anchored in the logic that material rewards create incentives for compliance with EU rules, the “adapting model” makes a rationalist argument that engages a debate that has emerged in the international relations literature between so-called rationalist and constructivist approaches. Both seek to identify the specific mechanisms that translate international influence into change: change in the behavior of domestic elites, and change in broader domestic outcomes. Studies in the rationalist camp generally argue that mechanisms based on material interests and rewards explain the lion’s share of policy change owing to international influence. Studies in the constructivist camp argue that other, cognitive mechanisms based on the power of norms and the desire for approbation from Western actors must *also* be taken into account to understand fully the timing and content of externally-driven domestic change (Epstein 2005a; Gheciu 2005; Grabbe 2006; Subotic 2010). To give an example, rationalists point to strategic learning from transnational actors on the part of East European elites (Vachudova 2005), while constructivists would expect to find social learning that is not based on the expectation of political or economic gain (see Epstein 2005b; for a different take, Bunce and Wolchik 2006). [Cut this whole paragraph?]

Our main hypothesis is that in Western Balkan states where EU leverage is able to work more or less “normally,” we see substantial changes in party positions over the last decade. Indeed, party system change is one of the most compelling pieces of evidence for the argument that EU enlargement continues to play a role in democracy promotion in post-communist Europe. As predicted, in Croatia and Serbia, political parties fundamentally changed their agendas to make them EU-compatible, and governments have implemented dramatic policy changes to move forward in the pre-accession process. As EU leverage focuses on building independent institutions and fighting corruption, it poses a greater threat to the wealth and power of entrenched rent-seeking elites than before. As Croatia’s membership trajectory illustrates, what is good for the country as a whole is not necessarily good for corrupt ruling elites. It follows that ruling elites in some countries would take advantage of any special conditions that allow them to block their country’s path to accession. We sketch how the continued controversies over the Dayton institutions in Bosnia, and the Greek veto of Macedonia’s progress toward EU

membership, have made it difficult if not impossible for EU leverage to moderate party agendas.

How well the reforms and institutional changes put in place to qualify for EU membership have safeguarded democracy in a durable way is a separate debate that we cannot cover here. The destruction of liberal democracy in Hungary stands as a warning of what is possible when EU leverage dissipates after accession; observers debate whether it's a unique case or a harbinger of democratic deterioration elsewhere. Scholars generally agree that EU membership has improved how the state functions and how it regulates the economy; however, there are huge shortcomings, especially in curbing corruption and upholding the rule of law (see Levitz and Pop-Eleches 2009; Levitz and Pop-Eleches 2010; Schimmelfennig, 2007; and Spendzharova and Vachudova 2011).

## **2. Measurement: How do we know when parties change their agendas?**

We use the Chapel Hill dataset on the positions of national political parties that depicts the structure of political competition in the EU's post-communist candidate states, and sheds some light on how political parties bundle different issues.<sup>2</sup> The dataset provides the position of each party on European integration, as well as its position on two dimensions of political competition: the left/right economic dimension, and the gal/tan cultural dimension. '*Gal*' stands for green/alternative/libertarian (or socially liberal) and '*tan*' for traditional/authoritarian/nationalist (or socially conservative, though this label tends to underplay the authoritarian and nationalism positions of the *tan* parties in the east). This data set is built using expert surveys: A team of researchers asks experts—usually academics specializing in political parties or European integration—to evaluate how party leaders defined the positions of their political parties on European integration, and on three ideological dimensions for European political parties. The time point of reference for the figures in this paper is 2007 and 2014, and the analysis is confined to

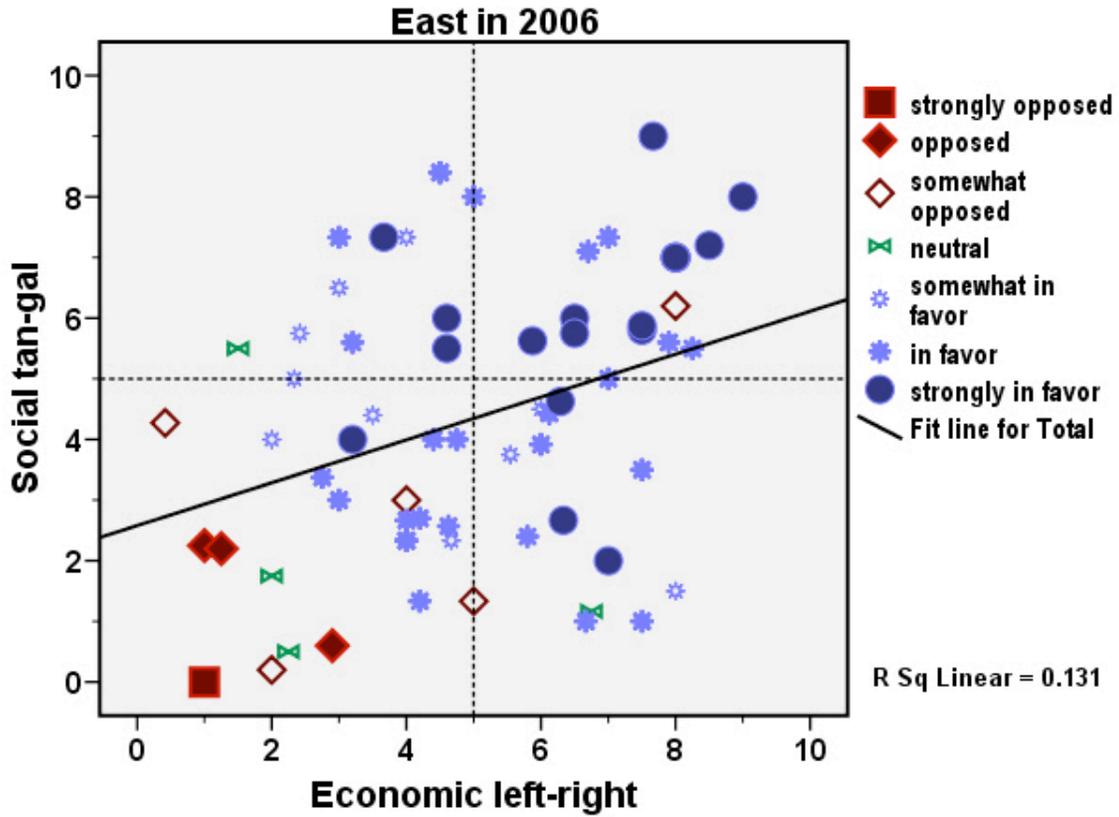
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<sup>2</sup> For post-communist Europe, the dataset for 2006 includes Poland, Hungary, the Czech Republic, Estonia, Lithuania, Latvia, Slovakia, Slovenia, Bulgaria and Romania. Dataset and codebook are available at: [http://www.unc.edu/~hooghe/data\\_pp.php](http://www.unc.edu/~hooghe/data_pp.php)

parties with two percent or more of the vote in the national election the most proximate prior year.

Before we turn to the Western Balkans, it is useful to understand how, in broad strokes, parties in post-communist countries that joined the EU in 2004 and 2007 (here, “the east”) tend to adopt different combinations of party positions than the older EU member states (“the west”). Parties that combine *left* and *tan* positions are almost absent from the west. The presence of these parties in the east is a strong legacy of communist party rule, which combined extreme left-wing economic ideology with strong authoritarianism and nationalism. Since 1989, this “communist magnet” has held parties in the *left-tan* quadrant. Meanwhile, the “EU magnet” has helped pull parties into the *right-gal* quadrant, since joining the EU required governments to implement free market reforms and to safeguard the rights and freedoms of all of their citizens, including ethnic and other minorities (Vachudova and Hooghe 2009). We can see in Figure 2 (below) that support for European integration in the east is correlated with party positions that are economically *right* and socially *gal* (meaning socially liberal). Opposition to the EU is concentrated in the economically *left* and socially *tan* quadrant – and hard *left* and hard *tan* positions are *never* combined with support for European integration. This is consistent with earlier research on that finds that pro-Europeanism in the East is concentrated among parties with *right* and *gal* positions, and anti-Europeanism among *left* and *tan* parties (Kopecký and Mudde 2002; Rohrschneider and Whitefield 2005; Taggart and Szczerbiak 2004). This is distinct from the West, where pro-European attitudes are associated with *left* and *gal* positions and anti-European attitudes with *right* and *tan* positions (Marks et. al 2006).

Figure 1: Positions of Political Parties in Post-Communist Europe, 2006



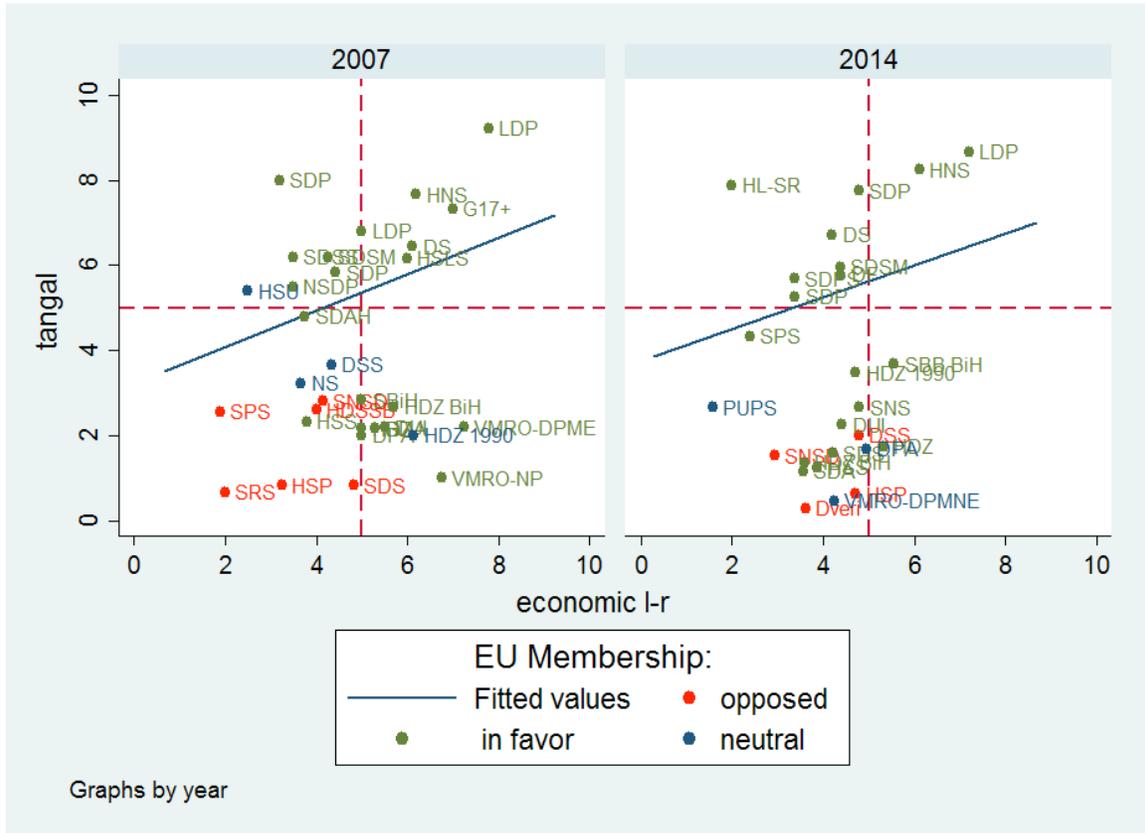
What is striking is how few anti-EU parties exist in 2006 in the states whose parties are shown in Figure 1: the eight post-communist EU members that had just joined the EU in 2004 (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia), and in the two that were about to join it in 2007 (Bulgaria and Romania). In 2014, the Western Balkan states are engaged in the EU’s pre-accession process or have recently joined (Croatia in 2013). We see in Table 1 that levels of party support for the EU have risen steadily in recent years – and in this the Western Balkan region is unique.

	1999	2002	2006	2007	2010	2011	2014
EU14	4.72	5.21	4.78	//	4.59	//	4.67
CEE	//	5.39	5.45	//	5.26	//	5.16 (0.18)
WB	//	//	//	4.97 (0.23)	//	??	5.41 (0.14)

*Levels of party support for the EU membership: 7-point scale, with 7 representing strongest support and 1 representing strongest opposition. Mean (SD)*

In broad strokes, the way that parties in the Western Balkans position themselves in 2014 is similar to these ten. Support for EU membership is associated strongly with GAL positions on the social axis, and with right-wing policies on the economic axis. Whereas in the mid 2000s the region had several parties opposing the EU that combined TAN positions with strongly leftist ones, nowadays most of the opposition to the EU comes from socially conservative or nationalist parties with rather centrist economic outlooks. In the four Western Balkan states in this study, the transformation of party systems has been more complicated than in the ten earlier post-communist EU candidates before and during their negotiations for EU membership. Looking at how party positions have changed from 2007 to 2014, Figure 2 shows that, overall, fewer parties take strongly left positions on economic policy, but more parties are hard TAN, meaning they take strongly nationalist and socially conservative positions.

**Figure 2: Croatia, Serbia, Bosnia, Macedonia, 2007 and 2014**

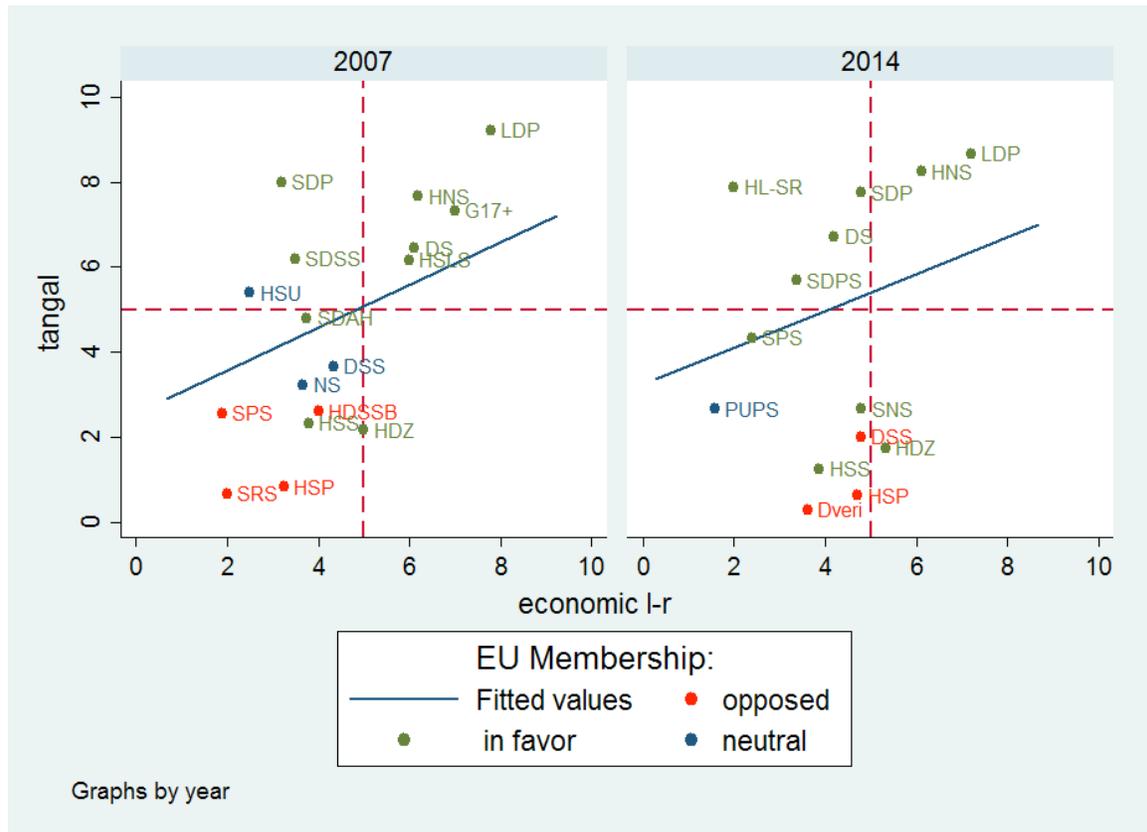


We see two different kinds of party system change taking place in the Western Balkan states while they have been engaged in the EU pre-accession process. In Croatia and Serbia, office-seeking parties have responded to strong incentives to change and moderate their positions in order to become EU-compatible. In Bosnia and Macedonia we see instead the capture of the state by rent-seeking, nationalist parties.

In Croatia in 2007 accelerated preparations for EU membership had already pushed several parties away from hard *tan* positions and toward *gal* positions. After Croatia joined the EU in 2013, however, one or two important parties have become more nationalist. In Serbia in 2007, we see the typical post-communist axis of political competition, with parties spread between strongly *tan* and economically *left* parties – and those that have embraced more culturally progressive *gal* positions along with more *right* positions associated with implementing liberalizing market reforms in Serbia. Serbia is stuck in 2007 with a highly polarized parliament and major parties rejecting EU

integration. In 2014, in contrast, we see how two major parties – the Socialists and the Progressives – have adopted dramatically more *gal* and economically more centrist positions while switching from opposition to support for European integration.

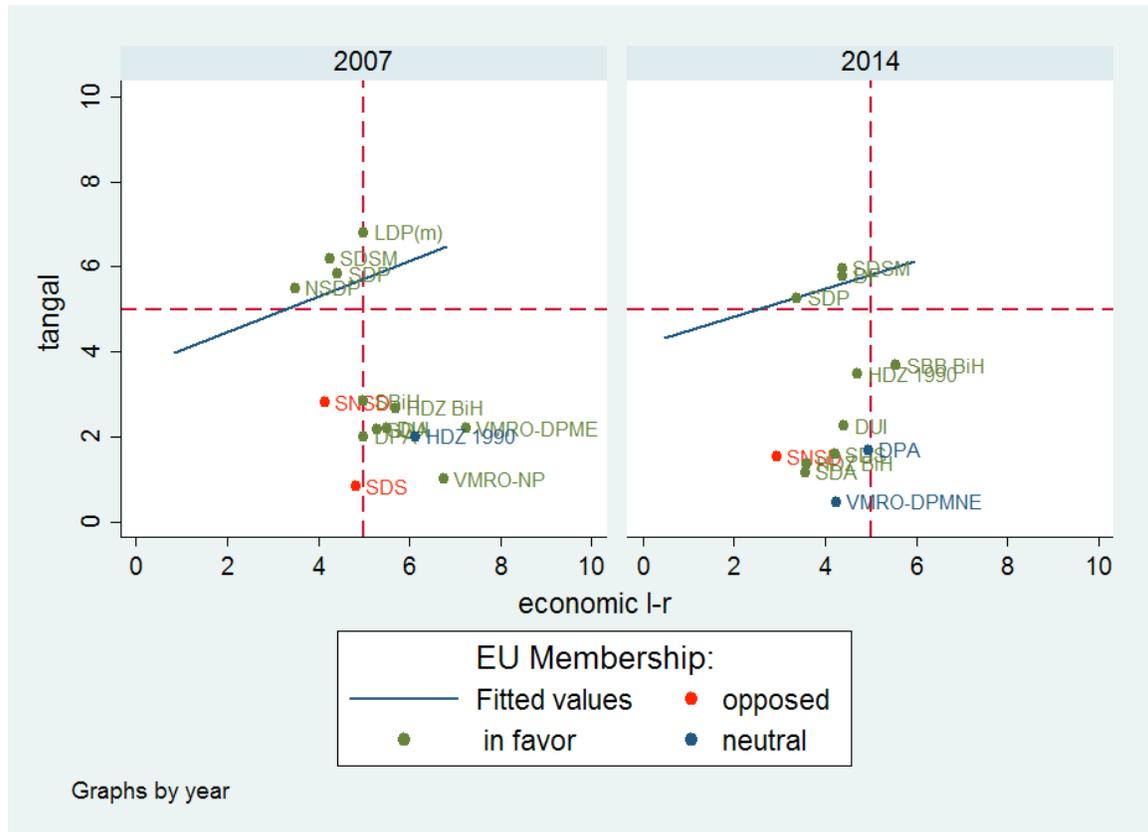
**Figure 4: Serbia and Croatia’s Parties, 2007 and 2014 Compared**



In Bosnia positions on ethnicity and territory have kept most parties in the *tan* quadrants. Meanwhile, competition along the economic left-right axis is virtually absent. This means that Bosnian parties are competing almost entirely on issues related to identity, despite the country’s stultifying problems with economic development and corruption. In Macedonia, the nationalist parties emerged in opposition to the communist system. Therefore, up until about 2008, we see in Macedonia an axis of political competition that resembles in some ways Western Europe (see Rovny 2011). However, since 2008, EU (and NATO) integration for Macedonia has been completely blocked by the Greek veto. This has practically eliminated competition among parties along the

economic left-right axis. Also, the formerly EU enthusiast VMRO-DPMNE have taken a much more ambivalent position toward joining the EU. Having built up their nationalist credentials and virtually out of reach EU leverage, the VMRO-DPMNE government is taking steps toward building an authoritarian regime.

**Figure 5: Bosnia and Macedonia's Parties, 2007 and 2014 Compared**



### **3. The Adapting Model: The Cases of Croatia and Serbia**

We sketch in this section how political parties in Croatia and Serbia have responded to EU incentives by changing party agendas and implementing new policies, even in the face of tougher EU requirements. Croatia already joined the EU in 2013, and its party system has changed in fundamental ways several times. As predicted by the adapting model, Croatia's party system experienced a dramatic change after 2000, not just with the ousting of the vicious authoritarian regime of Franjo Tudjman but also, crucially, with the transformation of the agenda (if not the membership) of his extreme right-wing Croatian Democratic Union (HDZ) party. The HDZ embraced democratic reforms and preparations for EU membership. This was perhaps easier than in neighboring Serbia because Croatia's belonging to Western Europe had never been questioned by the HDZ (Subotic, 2010), because the West supported Croatia in Operation Storm, and because the destructive grip of authoritarian forces was somewhat weaker (Dolenec, 2013). After the HDZ recaptured power at the end of 2003, Prime Minister Ivo Sanader led a government that put preparations for EU membership at the heart of its governing program – and that included reforming the judiciary and bolstering institutions to fight corruption (Konitzer, 2011).<sup>3</sup> What Sanader did not apparently consider, however, was that these more independent institutions might go after him. He was indicted on a colorful array of corruption charges and, in November 2012, he was sentenced to ten years in prison by a Croatian court (Barlovac, 2012).

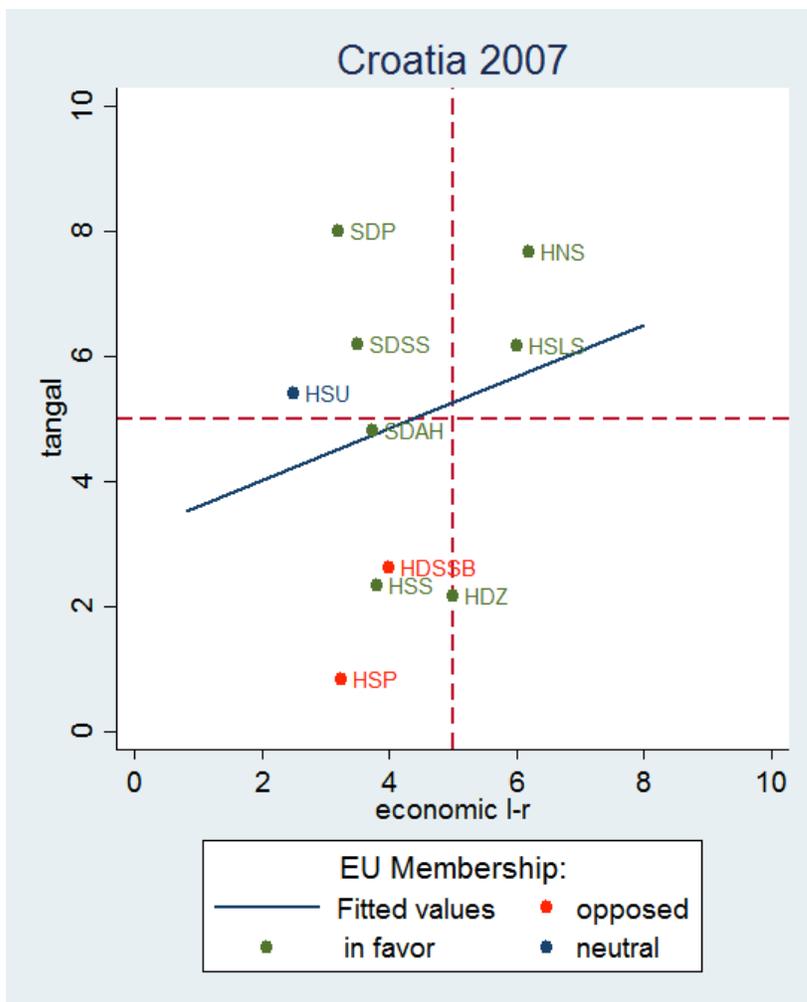
When Croatia joined the EU in 2013 there were still problems, of course, including quite high levels of organized crime and corruption, and the absence of efforts to encourage refugee return among Croatia's erstwhile Serbian minority (see European Commission, 2013a). Celebrations attending the 2012 verdict of the ICTY freeing former general Ante Gotovina on appeal showcased the dark side of Croatian nationalism, and Croatia must be judged on how it pursues war crimes trials at the domestic level. A cynic can look at Croatia and say that it is simply the beneficiary of relative economic prosperity and of ethnic cleansing that removed the Serbian minority in

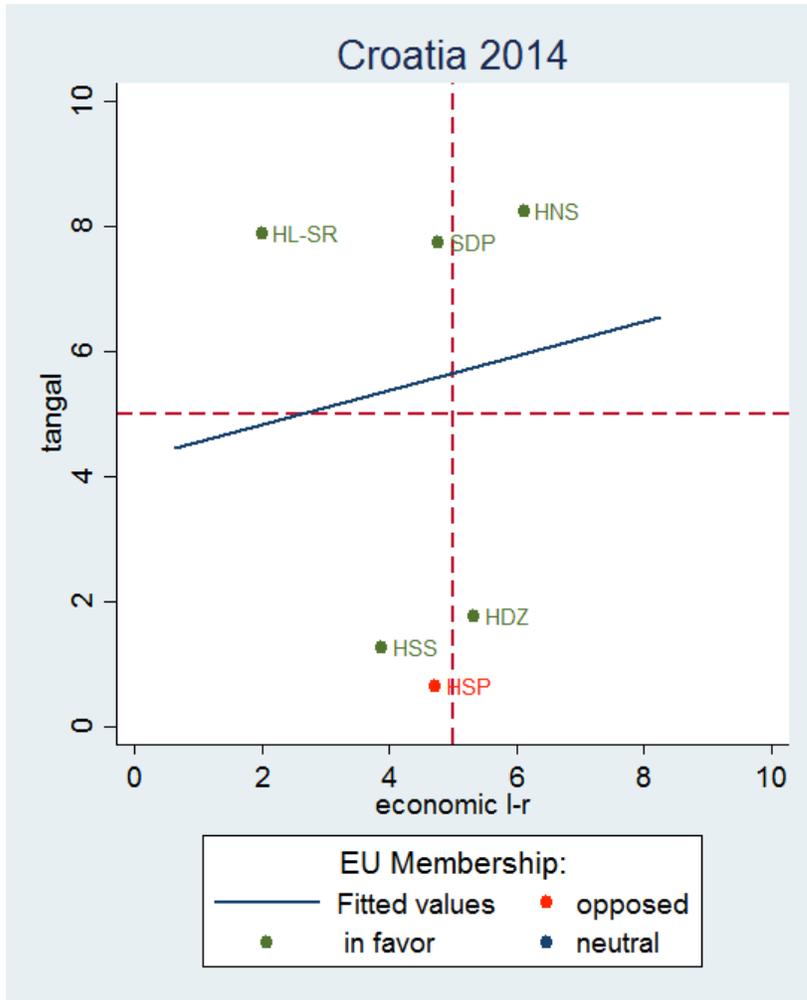
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<sup>3</sup> On the HDZ's turn back to nationalism after it lost power in 2011, see Jović, 2012.

1995. But the removal of the Serbs forced nationalist politicians in Croatia to move on from ethnic scapegoating and tend to domestic reform in response to the expectations of their voters for a rising standard of living and a more efficient state. Sanader's reform of the HDZ party is consistent with the adapting model that expects leaders of post-authoritarian parties to moderate party agendas in order to stay in the political game – and then pursue reforms that the EU now insists include building independent institutions in order to move forward in the pre-accession process (Vachudova, 2008). (But this sequence of events (affectionately called “Sanaderization”) may be less likely going forward as entrenched and corrupt political leaders in the region, not wishing to join Sanader behind bars, come to see EU-led institutional reform with greater caution.)

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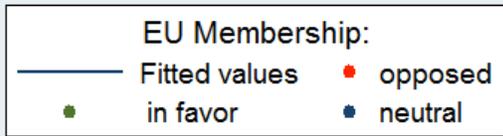
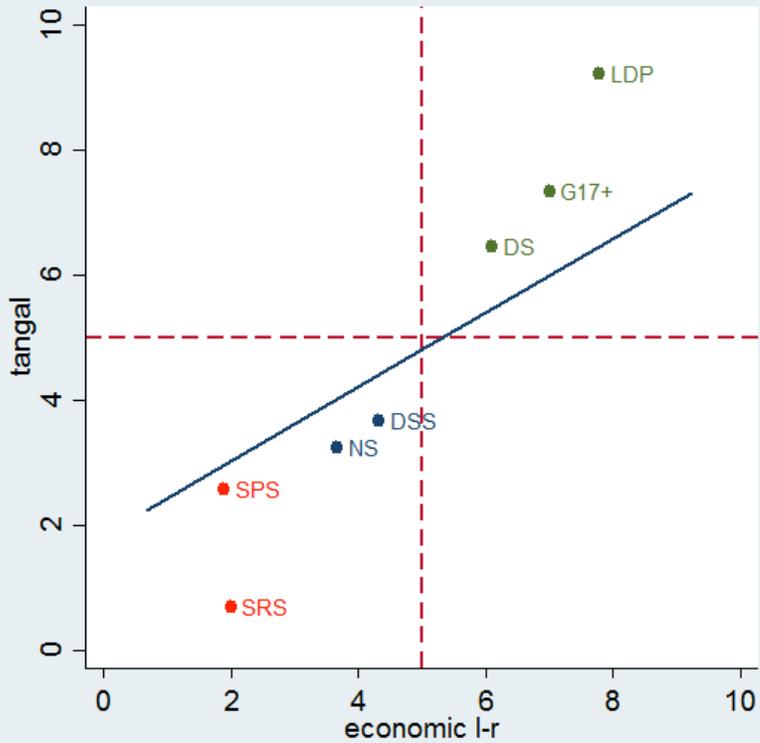


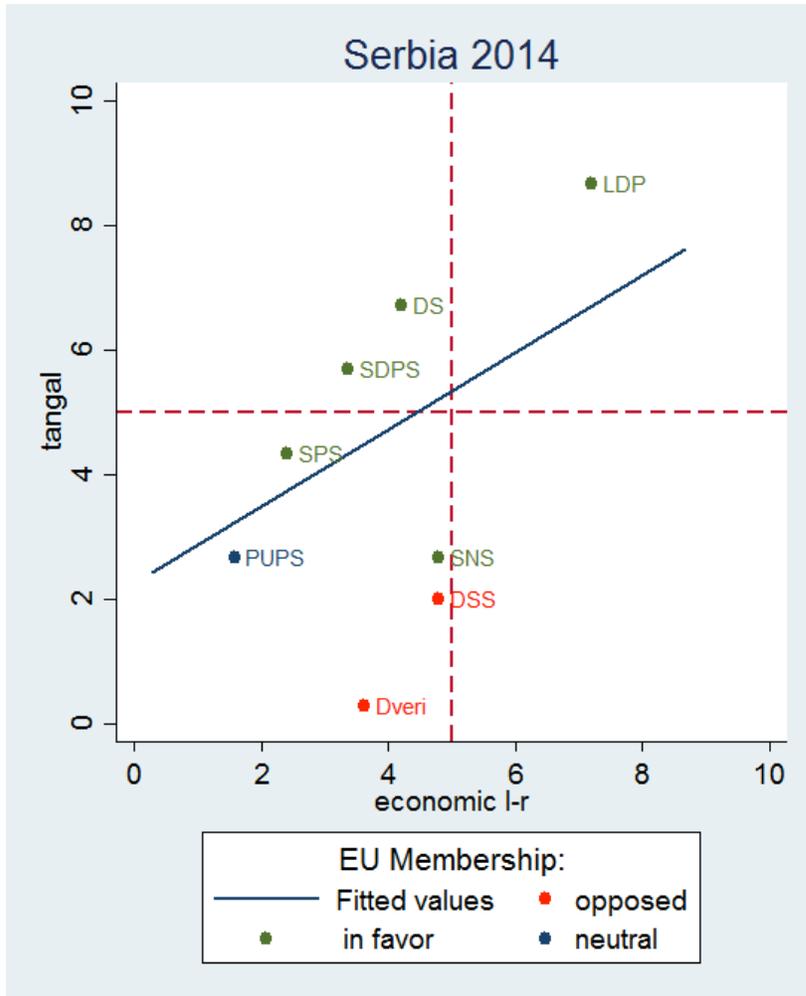


### *Serbia*

The behavior of Serbia’s largest formerly authoritarian parties was, in 2012 and 2013, also strongly and, for some, unexpectedly consistent with the adapting model as these parties made satisfying difficult EU requirements a priority. It is interesting to explore why a consensus on qualifying for EU membership was slow to develop among Serbia’s main parliamentary parties, but now, rather suddenly, it is without opposition in Serbia’s parliament. The answer rests chiefly with the electoral and economic calculations of key politicians in Serbia’s previously nationalist and anti-Western parties who launched a successful strategy of “EU outbidding” after Serbia’s main “reformist” party, the Democratic Party (DS), was in fact slow to adapt fully to a pro-EU agenda on some issues.

### Serbia 2007





Over the last decade, the axis of competition in Serbia shifted dramatically (Dolenec, 2013). The populist and extreme right-wing Radical Party split in 2008, with Tomislav Nikolić and Aleksandar Vučić bringing many party members into the new Progressive Party (SNS). Nikolić proclaimed that it was his support for Serbia’s integration into the EU that forced a split from the Radical Party loyal to Vojislav Šešelj, a warmongering chauvinist and ultranationalist. Meanwhile, already after the 2008 parliamentary elections the Socialist Party of Serbia (SPS), the party of Slobodan Milošević, had under its new leader, Ivica Dačić taken up the opportunity to come back to power through an unlikely coalition with its erstwhile main foe Democratic Party. In the process, SPS has also adopted an agenda supporting Serbia’s membership in the EU and successfully expanded its basis of support beyond the aging group of Milošević’s

core supporters. After the May 2012 parliamentary elections, the Progressive Party and the Socialist Party formed a coalition and Dačić became prime minister, marking a full return to power of Milošević's associates.

Even though Europe's crisis hit Serbia especially hard and the Democratic Party (DS) government in power since 2008 had little to show economically, its leader Boris Tadić was expected to win the May 2012 presidential elections. Tadić and the DS had long presented themselves at home and abroad as the only hope for a reasonable, pro-Western, pro-EU government for Serbia. But their track record of compliance was actually mixed: With extremists opposing them at every turn, they counseled the EU and the US to expect only modest gains – and then, bit by bit, delivered these gains in highly significant foreign policy areas such as cooperation with the ICTY, remembrance in Srebrenica, and the regulation of relations with neighboring Kosovo. They also formally applied for EU membership and laid the groundwork for transposing the *acquis*. What Tadić and the DS did not deliver, however, was domestic reform. Instead, changes to the judiciary filled it with DS acolytes; party control and the sale of jobs in the public sector increased; the media was largely under DS control; the oligarchs acted with impunity; and there was little progress in improving Serbia's business environment. Nikolić defeated Tadić in the second round of the presidential elections in part because a small number of former supporters of the DS took part in the 'white ballot' campaign and did not vote at all. Some former DS supporters even spoke out in favor of voting for Nikolić on the logic that the DS needed to be defeated in order to become more responsive to the voters. Others also argued that the tempering effect of government could be beneficial for the Progressives, Serbia's largest political party and that – as the adapting model predicts – this party may be more able and willing to comply with EU requirements than the DS.

After Serbia's new coalition government led by the Progressive and Socialist parties had been in power for almost one year in June 2013, there was evidence that it had made major policy changes in order to move forward in the EU pre-accession process. The Progressives seemed to enjoy more room to maneuver thanks to their long hiatus from power and their impeccable nationalist credentials. Serbia's most powerful politician, the Progressive leader Aleksandar Vučić, explained that "Now we have to pay

for it all - Kosovo, corruption, public debt” (B-92, 2013). Vučić seemingly took on the fight against corruption with unexpected vigor and had, among others, the most powerful oligarch in Serbia jailed and indicted on corruption charges (Jovanovic, 2013). The most consequential breakthrough was an agreement between Kosovo and Serbia that integrates the institutions of the Serbian municipalities in northern Kosovo into the Kosovar state in exchange for a degree of local autonomy (see Bechev, 2013; Lehne, 2013). For this, the Serbian government was rewarded by the European Council with a start date for Serbia’s official accession negotiations in January 2014. Meanwhile, despite economic stagnation, support for the EU among Serbian citizens was rising in 2013, with polls showing that an accession referendum held “today” would pass with around 65% of the vote, similar to the margin in 2012 in neighboring Croatia. Opinion polls also showed that Progressive Party voters were following the government’s lead and becoming more supportive of an agreement on Kosovo *and* of European integration (IPSOS, 2013).

Much remains undone in Serbia, from prioritizing domestic war crimes trials and downsizing the state to building independent state institutions and freeing the media. But looking back at two decades of post-communist transition we see that sometimes it is the post-authoritarian parties that enact the most difficult reforms, in part to lend credence to their new identity. In the longer run, the “adapting model” played itself out since ultimately the incentives of EU membership combined with the popularity of joining the EU among Serbia’s electorate compel most if not all major parties to shift their agendas to make them EU compatible.

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#### **4. The Cases of Macedonia and Bosnia**

##### ***Macedonia***

Macedonia was long considered a success story in the Western Balkans as its separation from the former Yugoslavia and the presence of a large ethnic minority did not lead to protracted violent conflicts. The country came close in 2001 with the start of an armed conflict between armed Albanian groups and the Macedonian state. With the help of mediators from the USA and the EU, this conflict was relatively quickly rechanneled into the halls of parliament, in exchange for a greater decentralization of the state and a more equitable share of public money and jobs for the Albanian minority. On the heels of the early successes in implementing the Ohrid agreement, the European Council in December 2005 approved Macedonia's application for candidate status. At the time this made Macedonia the only Western Balkan country after Croatia to achieve that status.

Parliamentary elections in 2006 brought to power the right-wing VMRO-DPNE and its new leader Nikola Gruevski on a ticket that promised to accelerate the integration of Macedonia into the EU. While other countries of the region have made progress toward EU accession, however, Macedonia still has not yet even received a date for the start of negotiations. The crucial obstacle for Macedonia has been the unresolved name dispute with its southern neighbor Greece. UN-mediated negotiations on the name issue have been held on and off since the early 1990s. After the breakdown of yet another round of negotiations in early 2008, the Greek government decided to use its leverage to obstruct Macedonia's integration into the EU and NATO. First, to a great disappointment of Macedonian government and public, Macedonia was not invited to join NATO alongside Albania and Croatia in 2008. Similarly, the Greek veto derailed Macedonia's EU ambitions despite the EU Commission and the European Parliament recommending repeatedly that negotiations with Macedonia should begin without delay.

Riding a tide of disappointment over these developments, the VMRO-DPNE government intensified its nationalist and nationalizing campaign. By 2014, the party is maximally TAN, according to our experts. Airports and football stadiums were renamed

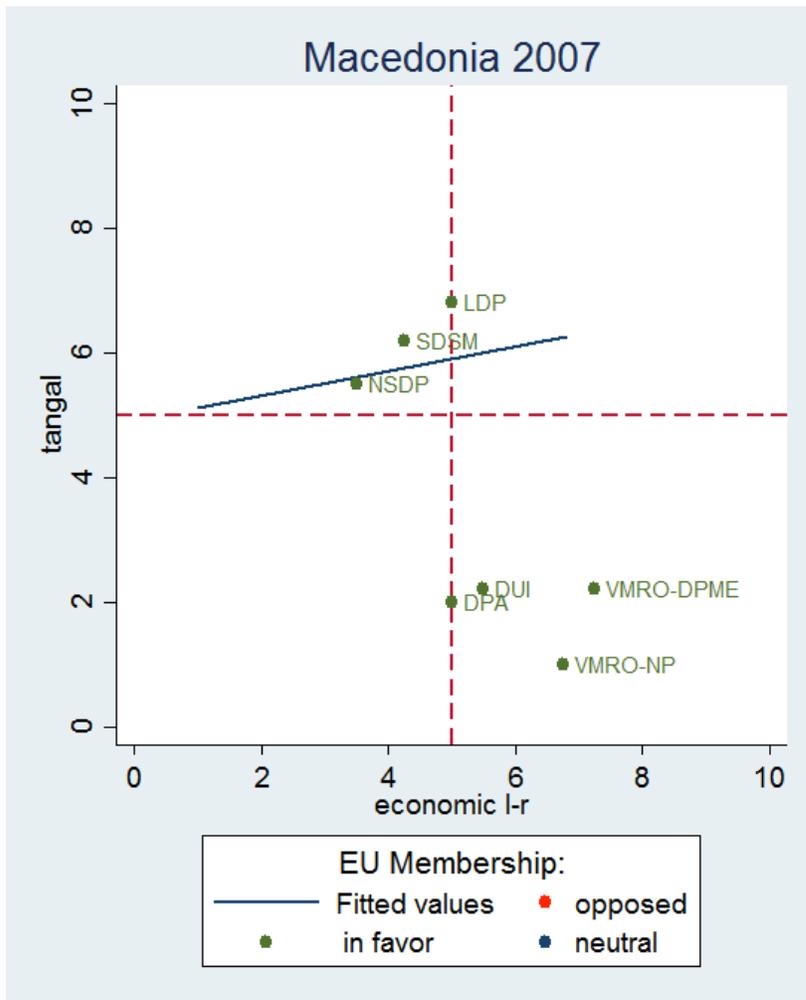
after Alexander the Great and his father Filip. The government produced itself or supported the production of hundreds of documentary films celebrating Macedonia's heroes over the ages – from antiquity to more recent struggles of Slavic-speaking populations around Thessaloniki in the Greek province of Macedonia. Most controversially, the government undertook a large-scale re-development of downtown Skopje, building in only few years numerous classical-looking buildings and monuments to the pantheon of officially-approved heroic figures. In addition to further alienating Greek negotiators and the Greek public, these so-called 'nation-building projects' have also prompted Macedonia's ethnic Albanian parties inside and outside of the ruling coalition to call for state-supported and prominent efforts to celebrate Albanian national symbols.

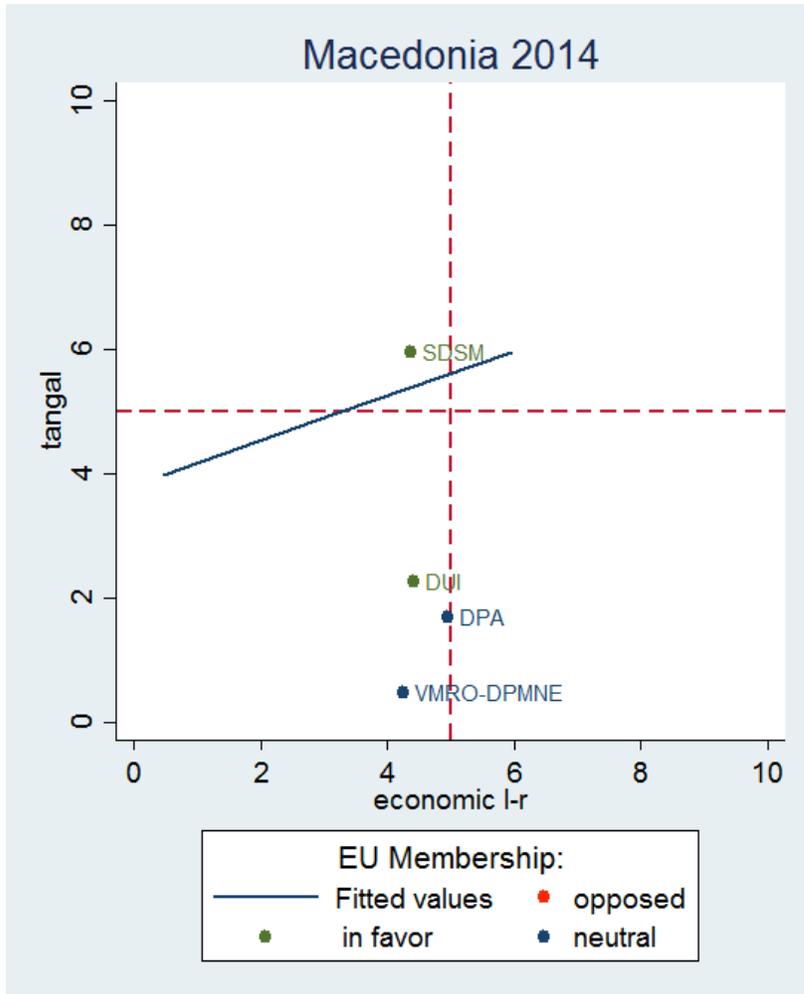
This nationalizing campaign by VMRO-DPNE included strong "anti-communist" rhetoric that seeks to portray the opposition SDSM (the successor to Macedonian League of Communists) as a-national. Escalating authoritarian tendencies on the part of the VMRO-DPNE-led government have been evident for years in acts such as the closing of the main independent TV station and the temporary expulsion of opposition MPs from the work of parliamentary sessions in the winter of 2012/13. The real political bombshell that shook Macedonia, however, was the announcement in early 2015 of Zoran Zaev, the new leader of SDSM, that he has acquired hundreds of hours of secretly taped conversations of Prime Minister Gruevski with his closest associates. The tapes reveal many things: the widespread use of public resources to further the VMRO-DPNE's political goals; the intimidation and bribing of journalists and police investigators (including likely the cover up of a murder); the use of the security services to spy on political opponents and independent critics; and open disdain for the Albanian ethnic minority and its political representatives. The VMRO-DPNE-led government has accused Zaev of high treason and conspiracy with unidentified foreign governments to fabricate the tapes.

The affair reinvigorated long-dormant SDSM supporters and in the late spring of 2015 Macedonia saw mass protests that occupied main thoroughfares of Skopje for weeks. Reflecting still widespread support for Gruevski and strong polarization of Macedonian politics, the government organized its own counter-mobilization that led to

some tense days in the streets of the capital city. The escalating political crisis prompted the EU to get involved: the mediation of the EU enlargement commissioner helped compel the two main political parties to agree on a timeline for snap elections that were supposed to diffuse the crisis. The VMRO-DPNE government, however, reneged on the conditions for these elections spelled out in the agreement. Meanwhile, its rigged Constitutional Court gave the VMRO-DPNE president the power to pardon politicians for all crimes. Soon thereafter, in April 2016, he pardoned all individuals connected to the VMRO-DPNE who were being prosecuted for various crimes including corruption and election-rigging.

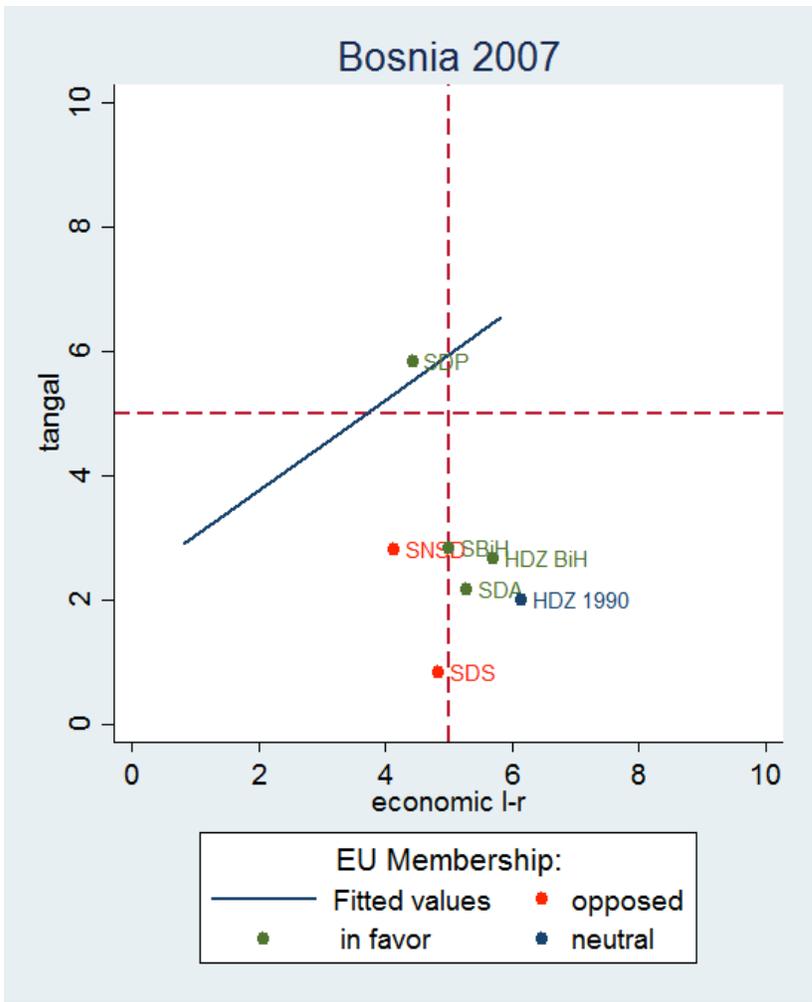
-- Make this shorter, too!

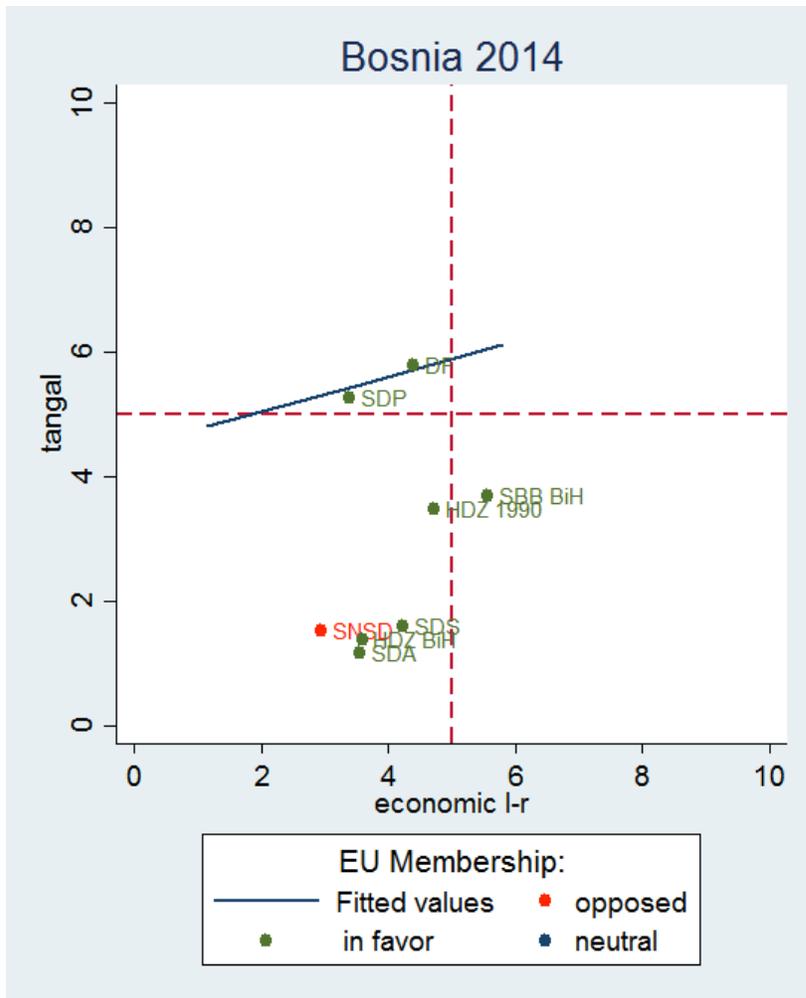




### ***Bosnia***

Even after years of nationalist and increasingly authoritarian government in Macedonia, it is even harder to imagine political competition and new government policies bringing comprehensive reform to Bosnia, whatever the formal positions of Bosnia's parties on joining the EU. This makes Bosnia another difficult case for the adapting model as Bosnia's unwieldy institutions create terrible incentives for politicians, regardless of political turnover.





While in the war Bosnian Serbs as well as Bosnian Croats launched a brutal ethnic cleansing campaign against Bosnian Muslims (who also committed war crimes against Serbs and Croats though on a far lesser scale), today politicians representing all three ethnic groups appear to be cooperating fully in preserving a status quo that immiserates all Bosnians. The engagement of citizens and interest groups in politics is even weaker than in Serbia and Montenegro, making the costs for politicians of not complying with EU requirements even lower (Džihic and Wieser, 2011). Politics has been reduced to mono-ethnic platforms and backroom deals among party leaders – and these leaders preside over authoritarian structures that doggedly pursue personal and party agendas at great cost to the citizens (see Bieber, 2011; Reeker, 2013). What citizens

of Bosnia get is poor governance at great expense – and the institutions are especially dysfunctional on the Federation side where the entity government shares power with 10 cantonal governments. In June 2013 citizens turned out for unprecedented protests aimed against the country’s predatory political class and its huge governance failures (see Štiks, 2013; Bieber, 2013), at a time when protest movements against the misuse of power were also taking hold in Bulgaria and Turkey. These protestors, however, failed to channel the energy of the protests into reshaping Bosnia’s political parties. In part because they avoided engaging with existing political parties or starting new ones, the protestors did not succeed in changing the status quo.

-- Need to sum up briefly the very complicated arguments about why Bosnia is controlled by elites that prefer the status quo to moving towards the EU.

#### **4. Conclusion**

Over time and thanks to EU leverage, the party systems of Croatia and Serbia have changed substantially. As predicted by the adapting model but as a surprise to many observers, the main axes of political competition in these systems shifted away from nationalism and toward more debate among different positions on how best to manage the economy. These systems have closely resembled those that were typical in the ten post-communist EU-members around the time that they entered the EU in 2006. In contrast, competition among the political parties Bosnia and Macedonia revolves mainly around appeals to nationalism and ethnic identity, with parties remaining as *tan* or becoming even more *tan* in 2014 than in 2007. In these party systems EU leverage has not moderated major parties, moving them toward more *gal* positions and helping to shift the focus of political competition to economic issues. Based on what all post-communist party systems so far have looked when they started accession negotiations, Bosnia and Macedonia’s party systems are no closer to joining the EU in 2014 than in 2007.

One thing is certain and comparatively unexpected: the extent to which party competition in the Western Balkan candidate states is defined by the relationship with the EU. The fault lines between ruling coalitions and opposition parties in parliament are often described in terms of policies toward the EU. In Serbia over the last ten years,

governments have fallen and major political parties have split due to fundamental disagreements over EU policies. The wide reach of EU conditionality has meant that Serbia's most sensitive 'national' issues – cooperation with the ICTY, regulating relations with Kosovo, and now economic reform – are all cast in terms of cooperation with the EU. Since the 2012 elections, however, all parties in parliament support the prioritization of European integration, so the question going forward is how durable will be this consensus in the face of difficult policy decisions and future election campaigns.

-- In Croatia instead we see party change as EU leverage dissipates

-- In Macedonia the fault line now is between democracy and authoritarian system.

-- In Bosnia everything is about the EU, but nothing is really about the EU.

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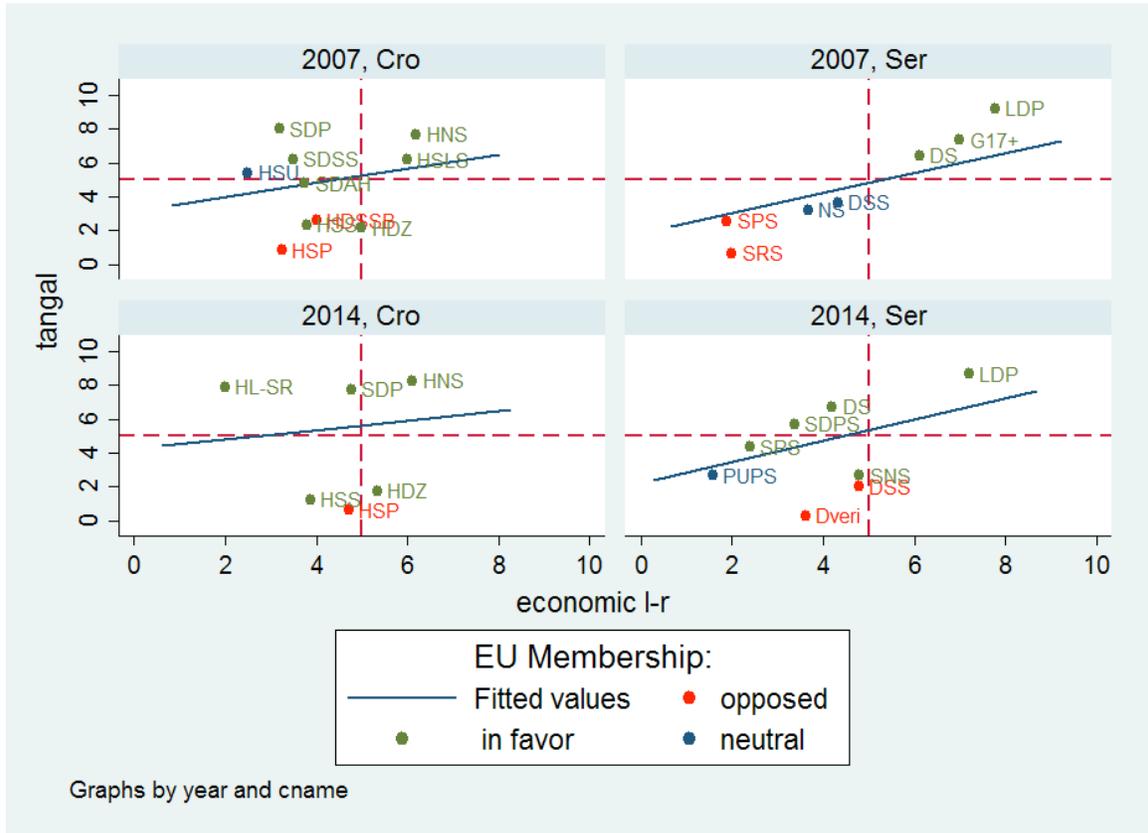
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**Figure X: Single Country Graphs, Croatia and Serbia, 2007 and 2014**



**Figure X:**

**Single Country Graphs, Bosnia and Macedonia, 2007 and 2014**

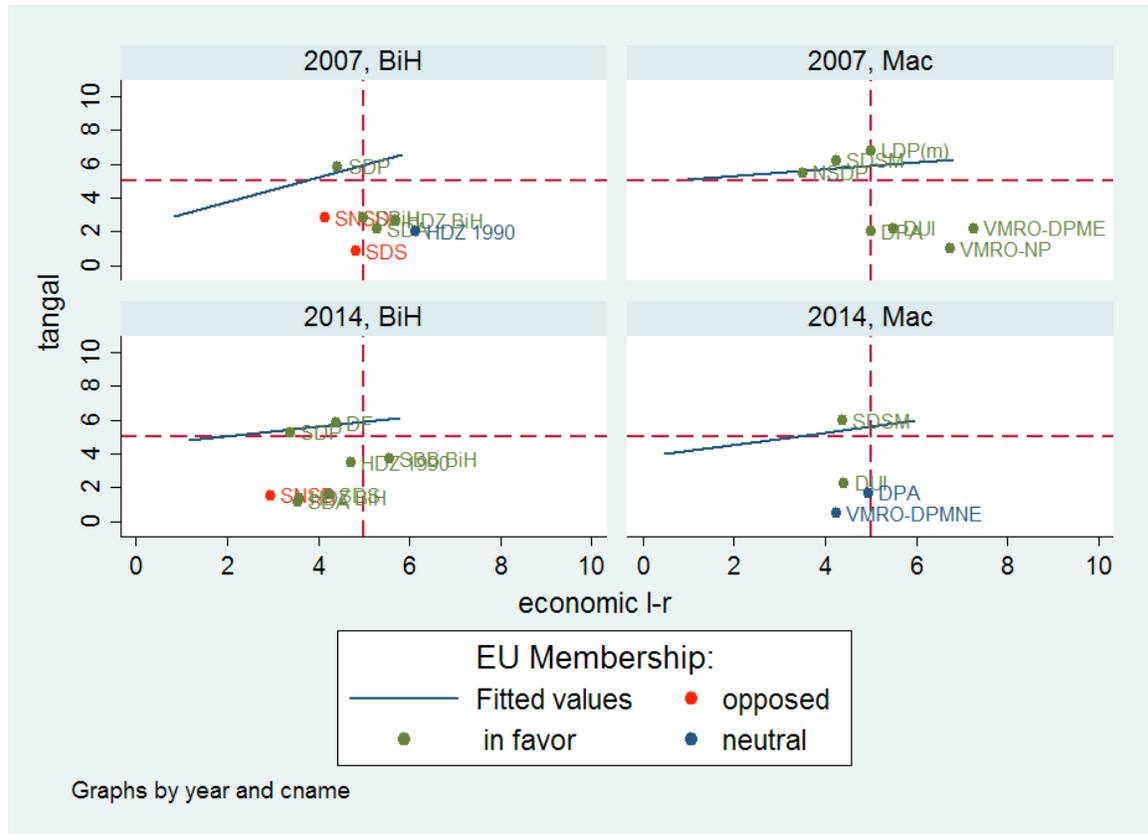


Figure X:

Single Country Graphs, Albania, Montenegro, Kosovo, 2014 only

