

UNIVERSITY OF LJUBLJANA
SCHOOL OF ECONOMICS AND BUSINESS

UNIVERSITY OF SARAJEVO
SCHOOL OF ECONOMICS AND BUSINESS

MASTER'S THESIS
**ADVANTAGES AND DISADVANTAGES OF THE ACCESSION
OF BOSNIA AND HERZEGOVINA TO THE EUROPEAN UNION**

Ljubljana, July 2021

LEJLA EMINOVIĆ

AUTHORSHIP STATEMENT

The undersigned Lejla Eminović, a student at the University of Ljubljana, School of Economics and Business, (hereinafter: SEB LU), author of this written final work of studies with the title **ADVANTAGES AND DISADVANTAGES OF THE ACCESSION OF BOSNIA AND HERZEGOVINA TO THE EUROPEAN UNION**, prepared under supervision of prof. dr. Katja Zajc Kejžar

DECLARE

1. this written final work of studies to be based on the results of my own research;
2. the printed form of this written final work of studies to be identical to its electronic form;
3. the text of this written final work of studies to be language-edited and technically in adherence with the SEB's LU Technical Guidelines for Written Works, which means that I cited and / or quoted works and opinions of other authors in this written final work of studies in accordance with the SEB's LU Technical Guidelines for Written Works;
4. to be aware of the fact that plagiarism (in written or graphical form) is a criminal offence and can be prosecuted in accordance with the Criminal Code of the Republic of Slovenia;
5. to be aware of the consequences a proven plagiarism charge based on this written final work could have for my status at the SEB LU in accordance with the relevant SEB LU Rules;
6. to have obtained all the necessary permits to use the data and works of other authors which are (in written or graphical form) referred to in this written final work of studies and to have clearly marked them;
7. to have acted in accordance with ethical principles during the preparation of this written final work of studies and to have, where necessary, obtained permission of the Ethics Committee;
8. my consent to use the electronic form of this written final work of studies for the detection of content similarity with other written works, using similarity detection software that is connected with the SEB LU Study Information System;
9. to transfer to the University of Ljubljana free of charge, non-exclusively, geographically and time-wise unlimited the right of saving this written final work of studies in the electronic form, the right of its reproduction, as well as the right of making this written final work of studies available to the public on the World Wide Web via the Repository of the University of Ljubljana;
10. My consent to publication of my personal data that are included in this written final work of studies and in this declaration, when this written final work of studies is published.

Ljubljana, July 19, 2021

Author's signature: _____

TABLE OF CONTENTS

INTRODUCTION.....	1
1 EU HISTORY AND ENLARGEMENT POLICY (1945 – 2012)	2
1.1 Historical overview of the European Union.....	2
1.2 Enlargement of the EU.....	4
1.3 Historical Overview of EU Foreign Policy.....	5
1.4 Milestones in the European Economic Integration Process.....	5
1.5 Enlargement Specifics for the selected EU member states.....	7
1.5.1 Greece.....	7
1.5.2 Germany.....	8
1.5.3 United Kingdom - Brexit	9
2 EU ENLARGEMENT POLICY TOWARDS FORMER SFRY STATES.....	10
2.1 The group of FYRS in light of EU enlargement.....	10
2.2 Slovenia’s Accession to the European Union.....	13
2.2.1 Slovenian path to the EU membership.....	13
2.2.2 Slovenia’s Progress and current status.....	14
2.3 Croatia’s Accession to the European Union.....	15
2.3.1 Croatian path the EU membership.....	15
2.3.2 Croatia’s Progress and current status	16
2.4 Serbia, Montenegro, Kosovo and North Macedonia EU Accession Status.....	18
2.4.1 Serbia.....	18
2.4.2 Montenegro.....	19
2.4.3 Kosovo.....	20
2.4.4 North Macedonia.....	20
3 BOSNIA AND HERZEGOVINA’S EU ACCESSION PROCESS.....	22
3.1 History of Bosnia and Herzegovina.....	22
3.1.1 Dayton Agreement.....	24
3.1.2 Bosnia and Herzegovina Post-War (1995- 2021)	27
3.1.3 Bosnia and Herzegovina’s Progress in light of Copenhagen Criteria.....	28
3.2 Bosnia and Herzegovina on the Path to EU.....	29
3.2.1 Reasons for Bosnia and Herzegovina’s Endeavour for the EU Membership.....	31
3.2.2 Reform Agenda as a Necessary Step.....	32
3.3 Public opinion of Citizens on EU Entry.....	36
3.4 SWOT analysis of the EU membership for B&H.....	42
3.3.1 Strengths.....	43
3.3.2 Weaknesses.....	46
3.3.3. Opportunities.....	47
3.3.4. Threats.....	48
3.3.5. Recommendation	50

CONCLUSION.....	51
REFERENCE LIST.....	52

LIST OF FIGURES

Figure 1: Balkan nations opinions on EU Accession – a good or bad thing?.....	39
Figure 2: Balkan public opinion on EU Accession Expectancy date.....	40
Figure 3: Public Opinion on personal significance of EU membership.....	41

LIST OF TABLES

Table 1: EU Enlargement Progress for Former Yugoslav Republic States.....	21
Table 2: SWOT Analysis for Bosnia and Herzegovina’s EU Accession.....	50
Appendix: Povzetek (Summary in Slovene language).....	1

LIST OF ABBREVIATIONS

B&H - Bosnia and Herzegovina
 CFSP - Common Foreign and Security Policy
 EEC - European Economic Community
 EMU - Economic and Monetary Union
 EP - European Parliament
 EU - European Union
 ICJ - International Court of Justice
 IPA - Instrument for Pre-Accession Assistance
 OHR - Office of the High Representative
 OSCE - Organization for Security and Co-operation in Europe
 NATO - North Atlantic Treaty Organization
 QMV - Qualified Majority Voting
 SAA - Stabilisation and Association Agreement
 SIERS - Strategy of International Economic Relations
 SFRY - Socialist Federal Republic of Yugoslavia
 UK - United Kingdom
 USA - The United States of America

INTRODUCTION

The European Union is nowadays considered one of the world's superpowers. The majority of nations in the European continent which are not member states are focused on achieving official Member status, and for probably good reason (Reding, 2002). Since its establishment, the European Union (European Communities pre-1993) has gone through several rounds of enlargement with a total of 27 current Member states. Among Former Yugoslav Republic States Slovenia became a member in 2004 and Croatia in 2013. The remaining Former Yugoslav Republic States have made it a goal to achieve EU status, some being more successful than others in the process. Overall, the general opinion of these nations seems to be that becoming a European Union member state will result in general prosperity and satisfaction amongst its citizens (Delegation of the EU to Bosnia and Herzegovina, n.d.).

Bosnia and Herzegovina is a country which has more than a thousand-year long history. During the course of history, it was a kingdom for a period and later under the ruling of different empires and part of different systems. For almost 100 years, with some interruptions, it was and still is a sovereign state. Bosnia and Herzegovina (hereinafter: B&H) has been on the path of becoming a member state of the European Union for the past fifteen years. It applied for membership in 2016. Due to its complex political system, lack of political motivation and consequences from the horrifying war, that process has been extremely lengthy. As time passes, without concrete results, enthusiasm and hope is slowly being diminished, with the growing lack of interest among people (BBC News, 2018b).

This master's thesis takes a look at the problems within the European Union and weighs the possible advantages and disadvantages of Bosnia and Herzegovina's entry in the European Union as well as seeing how far along B&H has come on its path to joining the EU. The main purpose of the thesis is to contribute to understanding how the accession process to the European Union affects multiple stakeholders in Bosnia and Herzegovina. The main aim of the thesis is to identify advantages and disadvantages of EU membership in the short, medium and long term, scrutinizing political, economic, social and other factors. Bosnia and Herzegovina applied for membership in 2016 and among the questions imposed were what the actual path of Bosnia and Herzegovina in the process of accession was. Also, how B&H stands on that path compared to other countries from the region, as well as what Bosnia and Herzegovina would gain and lose by becoming a member of the European Union. It is important to understand the accession procedure in general and the accession procedure for Bosnia and Herzegovina. This is especially of interest when the citizens B&H are asked whether they want Bosnia and Herzegovina to become a member state. This thesis aims to answer all these above mentioned questions.

Included in the thesis are theories and practical findings within scientific articles by scholars and policy papers on the effects of the EU membership, as well as taking a look at what attracted the EU member states to joining. Furthermore, reasons other European nations declined entry will be investigated, issues that are occurring within the EU will be addressed and an attempt to recognise risks involved in B&H's entry will be made. Research methods include a SWOT analysis of EU accession for Bosnia and Herzegovina based on provided research and collection of secondary data in order to systematically examine what aspects of the European Union are beneficial to B&H, as well as analyse whether there would be possible threats or risks which would in appear after achieving official Member status.

The first part will focus on the overview of the history of the European Union and its current status, the advantages and disadvantages of EU membership, an overview of members and their status in the EU and the most important developments related to membership. The second part will focus on Western Balkan countries and their relationship with the EU, an overview of former SFRY countries that are members of the European Union and those that are on the course to becoming one. The third and major part will focus on the history of Bosnia and Herzegovina, its path of accession to the European Union, the advantages or disadvantages of membership to the EU and public opinion on accession.

1 EU HISTORY AND ENLARGEMENT POLICY

1.1 Historical overview of the European Union

Europe is a continent located on the Northern Hemisphere surrounded by the Arctic Ocean to the north, the Mediterranean Sea to its south and to the west by the Atlantic Sea. To the east it is separated from Asia by the Caucasus, Ural, Caspian and Black seas. This is a natural border between the two continents which is not followed by borders of European countries such as Turkey, Russia and Kazakhstan. Europe covers 10.800.000 km² which is approximately 6.8% of land area of the whole Earth. According to United Nations official documents and statistics, there are 44 countries in Europe. Europe, throughout history, was a place where many wars occurred with a high number of casualties. These wars were fought between different states, with different outcomes and the situation in Europe changed in a way, after every war. However, following World War II, Europe changed completely, both politically and structurally. All actions taken after the Second World War in respect to the integration of a divided Europe, led to the European Union we know today (European Environment Agency, 2019).

The beginnings of European integration, which gradually developed in the EU, started in the second half of the previous century. The idea, at the beginning, was to make trade simpler amongst the

countries of Europe so the development of countries would be easier to maintain after the destructions during World War II. The notion of European assimilation was considered following the Second World War. First the merging coal and steel production, then the merger of armed forces were suggested as "the first concrete foundation of a European federation" by Robert Schuman, the French Foreign Minister in a speech given on May 9, 1950. The date is now known as "Europe Day". Schuman believed that if nations split resources there is a rather small chance of them causing conflict and beginning a war amongst themselves due to the mutual dependence (McIver, 2011). The idea was developed further and in 1951 the European Steel and Coal Community was established. The Treaty of Rome was signed in 1957 by the founding countries of the European Steel and Coal Community (France, Belgium, Luxembourg, West Germany, the Netherlands and Italy) which resulted in the establishment of the European Economic Community (EEC). That agreement has put the free movement of goods and services into practice. The EU was primarily focused on developing a mutual economic collaboration among the states, yet this focus has shifted in recent decades with increasing involvement in laws and policies, which were previously left for nation states to handle. The European Union functions with a combination of multinational and intergovernmental models, where nation states give the EU the authority to decide on some matters but have control for autonomous decisions in others (James, 2006).

The European Union that we know today is based on a number of treaties that were designed to make the European Union more functional in the future. These series of Treaties were also followed by the accession of several states in so-called "enlargement rounds". We will briefly mention the treaties that were adopted following the establishment of the EU (James, 2006):

- Treaty of Rome (1957) established the European Economic Community (EEC).
- Treaty of Maastricht (1992) formed the European Union and initiated the Economic and Monetary Union (EMU).
- Treaty of Amsterdam (1997) transformed the Schengen Convention into EU law, resulting in the growth of the Commission's impact in home affairs and the change in the policymaking process in the Council through Qualified Majority Voting (QMV) extension.
- Treaty of Nice (2001) additionally extended Qualified Majority Voting (QMV) in the Council, did away with national vetoes from 39 areas and reduced the amount of forthcoming Commissioners and MEPs.
- Treaty of Lisbon (2007) in 2003, the EU prepared a Constitution for Europe, which was meant to replace all prevailing treaties and become the one and only legal document administering EU operation. It but was rejected in 2005 in referendums held in the Netherlands and France. As a replacement, the Lisbon Treaty was written up and signed in 2007, however another dispute occurred in 2008 when Ireland opposed it in a referendum. Finally, in 2009, after a second referendum in Ireland, the Lisbon Treaty was approved by all member states.

1.2 Enlargement of the EU

As stated above, European Economic Community, the predecessor of the EU, was founded by six countries. That number has multiplied more than four times, up to 28 EU member states in 2013 with intention of further enlargement. However, the EU currently counts 27 EU countries due to the United Kingdom's withdrawal from the European Union on January 31, 2020. Since the establishment of the EU, there were six, so called waves of enlargement, without a strict and predetermined number of countries that are to accede the EU in the future. The first wave was in 1973 when Denmark, Ireland and the United Kingdom became members of the European Union. In the next enlargement wave, Greece became a member in 1981. The accession of Portugal and Spain was in 1986 and in 1995 Austria, Finland and Sweden became members. The next two enlargement waves were in 2004 and 2007 and had the highest number of new members including Cyprus, Czech Republic, Hungary, Estonia, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Bulgaria and Romania. The last wave was "reserved" only for Croatia in 2013. Beside these countries, there are four candidates (Albania, North Macedonia, Montenegro and Serbia) and two potential candidates (Bosnia and Herzegovina and Kosovo).

Essentially, enlargement has the purpose of creating a stronger European Union which is the reason why accession to the European Union is not only the procedure of applying for membership and becoming a member. There is a set of criteria, known as the Copenhagen Criteria that must be met by applicant countries in order to become a member of the European Union (European Commission, 2011):

1. Political criteria: firm establishments ensuring democracy, the rule of law, human rights and protection of minorities.
2. Economic criteria: an effective market economy and the ability to manage competition and market forces in the EU.
3. The third legislative criteria requiring the ability to undertake the EU membership responsibilities which include obeying the aims of the political, economic and financial union. Furthermore, the EU must be able to include new nations, so it reserves the right to decide when it is ready to do so,

The European Union has also set a strategy that must be fulfilled before accession to the EU. The actions are underlining duties and obligations that a country must fulfil, such as negotiations and suggestions that have been assigned in cases of Western Balkans countries, but also the cooperation agreements that presume that the country will cooperate with other EU member states. Negotiations are conducted between the EU and every country individually, which results in a different pace of

accession from country to country. Another part of the strategy is reform. Reforms are requested from applicants so that economic and political stability, for example, is achieved.

1.3 Historical overview of EU foreign policy

At the beginning and the formation of the EU, there was no concrete foreign policy of the EU. Nevertheless, the European Economic Community (EEC) treaty encompass significant obligations regarding external affairs which developed overtime and became fundamental with time (Bindi & Angelescu, 2012). The first signing of the EU foreign policy can be found in the Treaty establishing the European Economic Community. Although, this Treaty did not deliver factual policy, it had given some competencies to the EEC in regards to external trade relations, such as a shared common external tariff (as a basis of the customs union); the opportunity for additional nations to enter the EEC; the formation of a free trade area with the Belgian, French, Italian and Dutch territories; as well as the formation of a European Fund for Development, as specified in article 131 of the Treaty. Correspondingly, articles 110–16 related to commercial policy, concerning both third nations and international organizations. Article 110 of the treaty states that with the creation of a customs union, the member nations aimed to influence the “harmonious development of creation trade, the progressive abolition of restrictions on international trade, and the lowering of customs barriers” (Bindi & Angelescu, 2012, p.15). Throughout history, foreign policy has become one of the most important aspects of the European Union. The EU’s Common Foreign and Security Policy (CFSP) was instituted by the Treaty of Maastricht, which came into effect in 1993, and was later fortified by future treaties including the Amsterdam Treaty in 1999, in 2003 with the Nice Treaty and the Lisbon Treaty of 2009.

1.4 Milestones in the European Economic Integration Process

We have already discussed the historical rise and development of the EU and we have come to the part where we can discuss what was actually achieved. First of all, since the official establishment of the three European Communities, twenty-two countries have joined as full members, with currently 6 waiting in line, most of which are former SFYR nations. This shows the importance of the Union for the continent. It has surpassed the original idea of a single market, as it has transformed into an integration covering not only economic, but climate change, legal and justice systems, education, security, international affairs, migration and even health care (Kumalić, 2013).

Compared to the beginning of the EU, many things have advanced. As a result of the EU, there have been more than 50 years of peace within Europe in which wars previously weren’t uncommon among union states. This results in stability and even financial prosperity, especially with the launch of a common currency, the Euro. The common currency, as well as the lifting of border

patrols, has benefitted the citizens in regards to simplifying travel, but also finding work and new homes throughout almost the entire continent. EU citizens have a greater likelihood of finding suitable jobs with a wider job market and have no fear of being discriminated since all EU citizens must be treated equally, no matter where they are from originally. This in practice is not necessarily always the case, but fighting for ones' rights is much easier when there is an established equal law amongst all member states. Member countries which are lacking workers in one field, can easily find employees that are possibly at an influx within another country, and vice versa. It's a comforting thought for members to know that they have the freedom and choice of a variety of countries to travel, live, work and even retire in, depending on their individual preferences. The EU's main economic engine is the single market, which permits most goods, services, money and people to move freely. With this in mind, its goal is to advance this vast supply to other areas as well such as knowledge, energy and capital markets in order to provide its citizens with maximum benefits. Among many things, EU enacted the development policy which aids Third World countries and weak economies with emphasis on tackling the biggest threats and issues in the present, such as hunger and environmental issues.

Of course the European Union as a successful economic union did not occur overnight, instead various steps were followed throughout the years, carefully planned in order to achieve mutual financial satisfaction amongst all member states. Understanding the stages of economic integration, the EU has taken throughout the years is vital to comprehending the advantages of being a member state. To begin with, economic integration is an agreement between countries in which trade barriers are either decreased or removed and there is a synchronisation of economic policies. The goal is to mutually decrease the expenses for consumers and manufacturers whilst increasing trade within the circle (Kumalić, 2013).

With respect to the stages in the economic integration process, we may identify four main categories of regional economic integration. The first is a free trade area, which is the most primitive form of fiscal co-operation. Member nations lift all barriers to trade between themselves but are able to autonomously decide on trade policies with other non-member nations. The European Union has always functioned as more than a free trade zone, even when the European Economic Community (EEC) was active (Alatović, 2013). The second stage of economic integration is a customs union which is similar to the free trade area, the main difference being that its members agree to treat trade with non-member countries in a uniform manner. As for the EU, a customs union was established in 1968 which removed all tariffs on inner trade, and adopted a common tariff for non-members (European Commission, 2019).

The next stage of economic integration is a common market in which not only are trade barriers removed, but also the barriers to mobility of factors of production, e.g. free mobility of workers

and capital. The major benefit to workers is that they do not need a work permit nor visa to work in other member countries. This was known as the internal market within the EU, and it was introduced as of the beginning of 1993 (European Commission, 2017). The fourth stage of economic integration is known as the Economic and Monetary Union, adopted at the start of 1990s by the EU as the Economic and Monetary Union (EMU) started to work for the original 11 members satisfying the five nominal (Maastricht) convergence criteria. All of these stages in economic integration led to closer political integration, especially with the signing of the Treaty of Lisbon, which became effective in December 2009 (Dabrowski, 2019). Thus it is evident that the European Union as we know it today did not happen overnight, instead was a long-lasting gradual continuation of the various stages of economic integration which resulted in some extent to political integration.

1.5 Enlargement specifics for the selected EU member states

The EU has a very unique institutional structure and law-making process. In fact, the EU member states are subject to binding laws and in exchange they have representation within EU bodies. In order to adopt a foreign policy or defence policy, all members must agree upon the proposition to adopt it. When it comes to the influence within the EU, although de jure all countries are equal, de facto some countries have more influence within the governing bodies. In some cases, decisions are made by majority vote and that puts larger countries in a better position because of the number of representatives. Until today, no country has been suspended, not including the withdrawal of the United Kingdom (hereinafter: UK). Besides examining the EU accession process of the Former Yugoslav Republic States, I will present some other nations' accession process specifics to further support our understanding of the complexity of enlargement process and expected advantages and disadvantages of full membership. Of those chosen for further examination, we have first probably one of the most advanced EU countries, even considered an EU leader, Germany. On the other hand, it is also important to mention less successful EU members, in this case the UK and Greece. The UK is specific considering its EU withdrawal, while Greece is an interesting member due to its financial issues upon entering the EU (Rankin, 2015).

1.5.1 Greece

When it comes to Greece in the European Union, things are slightly more complex than in the case of other EU countries. We have spoken about the procedure of entering the EU and fulfilling the criteria set before the candidates, but the situation with Greece's accession to the European Union was different. Greece became a part of the European Union in the 1981 enlargement wave. At the time, it was a fact that Greece didn't meet the requirements to join the European Union which posed a threat for members. Germany was worried about the cheap labour coming from Greece,

France was worried about the impact on farmers and the EU was worried about unsettled disputes and issues between Greece and Turkey, which the EU could be drawn into it. Even with everything that posed a concern, Greece became an EU member. The accession was in a way problematic, because of the overall state of Greece as a country. "... levels of corruption were worse than the European average, the state was poor at collecting taxes. Lax public administration was harder to change once a country was inside the EU. Later entrants from central and eastern Europe had to pass stricter standards" (Rankin, 2015). Another problem with Greece emerged after 2001, when Greece adopted the Euro as its currency. Greece admitted in 2004 that they had exaggerated entry figures, which was sort of a public secret for many other countries, although at a much lower scale. The size of the problem was only realised in 2010, when the huge economic crisis hit Greece. The European Union found itself in a challenging and demanding position, having such a deep crisis within a member state. In an attempt to help Greece get out of the crisis, the European Union put the bailout plan in motion, which meant the EU writing off Greek debts and three major bailout packages worth around 350-billion Euros. In exchange for funds, Greece was imposed with tough austerity measures. Lately, the political and economic situation has been stabilizing, but the whole situation has put EU member states on different sides of the Greece issue. As an indicator of stabilization, credit rating agencies have raised the assessment of Greece ratings and lately, the historic agreement between Greece and the Former Yugoslav Republic of Macedonia over the flag and the name Macedonia has been signed, ending an over 27-year-old dispute (Karyotis & Gerodimos, 2019).

1.5.2 Germany

"Germany is a federal parliamentary republic with a head of government - the chancellor - and a head of state - the president - whose primary responsibilities are representative. The country comprises 16 states which each have their own constitution and are largely autonomous regarding their internal organization. Bremen, Berlin and Hamburg are three of these city-states" (European Union, 2020). Following World War II, Germany was separated not only politically, but physically as well with the Berlin Wall as of 1961. Allied-influenced West Germany was one of the six founding countries of the EEC. After the fall of the Berlin Wall and official German reunification in 1990, it resulted in the enlargement of the European Community to the East. This enlargement did not include new negotiations; instead East Germany was simply the extension of the Federal Republic of Germany (Rooney, 2019). Regarding the role of Germany in the European Union, in the last few years, we have seen Germany stepping in to undertake leadership in the EU, which of course does have its benefits, yet does not lack in responsibility. It was expected of Germany to undertake a greater role in EU-neighbouring foreign policy, such as Ukrainian conflicts and the refugee influx. Germany has taken the primary role in foreign policy of the EU, one which can be easily recognised in the recent migrant crisis, as Berlin sought diplomatic solutions to the issue that

is affecting all of Europe. In an attempt to minimise the consequences, Germany has started taking bigger steps that are accompanied with greater risk. The best example is the EU-Turkey refugee deal. A deal was made with Ankara in March 2016 regarding resettling Syrians from Turkey to Germany, and in return Turkey would take-in new Syrian refugees from Greece. This arrangement was formally made on behalf of the EU, however in actuality, Merkel was calling the shots and needed a way to secure popularity within her country for upcoming elections since the majority of the population was losing its patience and unhappy about the immigration situation. Consequently, Berlin led the EU into a flimsy and debated agreement with Turkey (Rooney, 2019). While Germany is tied to the role of leader throughout the EU framework, this could cause resentment among other member countries, which could eventually reduce the power that Germany now has. Brexit could also leave space for Germany to step in, meaning a more centralistic role for Germany, but also more money from Germany to be given to EU. One way that could cause the majority of countries to approve it is forming flexible coalitions, rather than have unchanging group of countries “calling the shots”. This tactic is in the best interest of other EU member states and is the best way to coordinate with Germany’s changing role. It will keep the EU as the attention of German motivations, states that engage in coalitions would be provided with leverage, and encourage all member states to consider the European interest (Rooney, 2019).

1.5.3 United Kingdom - Brexit

When it comes to the United Kingdom in the European Union, five years ago, we would have been speaking about it in completely different perspective. United Kingdom became a member of EEC in 1973, even after the then French President, Charles de Gaulle previously vetoed its accession twice in order to maintain France’s importance within the EEC. However, the UK was always specific in status within the EU. For example, its decision to not sign the Schengen Agreement in 1985 as well maintaining its currency, the pound, rather than the Euro shows the U.K.’s reluctance to fully jump into the European project (Zyla, 2020). As a strong economy with stable politics, the UK was one of the most important members of the EU.

On January 31, 2020 the UK left the EU. The withdrawal of the UK from the EU is known as Brexit, coinage of the of the words Britain and exit. Following a UK-wide Brexit referendum, on March 29, 2017, Prime minister Theresa May triggered Article 50 of The Lisbon Treaty, which covers the withdrawal of a member country from the EU, and sets a transition period of 2 years in which the withdrawal and future relations are to be agreed upon. “More than 30 million people voted in the June 2016 referendum with a turnout of 71.8 per cent. Leave won by 52 per cent to 48 per cent.” (Knox, 2020). The EU and UK have settled 3 main separation matters, those being how much the UK is indebted to the EU, matters of the Northern Ireland border as well as EU citizens living in the UK as well as UK citizens in the EU. After Brexit on January 31, 2020 a transition

period began that was set to end on December 31, 2020, during which the UK and EU were negotiating their future association. The UK still must comply to EU law and remains involved in the EU customs union and single market during the transition, but is no longer a member of the EU's political bodies or institutions.

It's hard to speak about the consequences of Brexit yet, but we will go through few of them, in light of consequences for the UK itself, EU and USA. The main reason why the majority of people in the UK voted for Brexit, which was also the main point of euro-sceptics and politicians that were proposing the referendum, was stricter border control, due to the huge inflow of migrants from the Middle East and Africa. This is the main advantage that Brexit will deliver to the UK, along with autonomous taxation policies without EU guidelines and the fact that the UK will no longer have to pay the EU membership fee. The main disadvantages, which are yet to be proven, are slow growth of the UK in the future after the withdrawal, potential loss of tariff-free trade status and many other disadvantages. In case of the EU, this could lead to growth of anti-immigration parties and that could lead to more referendums on leaving the EU. When it comes to the USA, the most consequences will be those in trade and stock markets as UK has strong ties with the US economy, through investments, business operations overseas and employment. Even though Brexit was expected to have greater consequences, so far, it has been done in, so called "controlled conditions." It seems that it will not have the impact on the UK, the EU and the world as was assumed. The real impact is to be seen in the future and the real consequences can only be evaluated and analysed after some time has passed (Sandford, 2021).

2 EU ENLARGEMENT POLICY TOWARDS FORMER SFRY STATES

Former Yugoslavia means the region that was acknowledged as the Socialist Federal Republic of Yugoslavia (hereinafter: SFRY) until June 25, 1991. The six nations that made up the federation were Slovenia, Croatia, Macedonia, Montenegro, Serbia (together with Kosovo then) and Bosnia and Herzegovina. As Slovenia and Croatia declared sovereignty in June 1991, this in essence resulted in the end of SFRY. By April 1992, Macedonia and B&H declared independence as well, which left Serbia and Montenegro within the Federation. They were declared the Federal Republic of Yugoslavia (FRY) in April 1992, yet re-named State Union of Serbia and Montenegro in 2003. Three years later, on June 3, 2006 Montenegro officially declared sovereignty and Serbia two days later (Petritsch, 2002).

2.1 The group of FYRS in light of EU Enlargement

The dissolving of republics resulted in the Western Balkans being a place where a number of wars were raging for several years afterwards. After the war, countries were calculating damages and

finding the ways to rebuild and move forward. That was the blank space in time, when most of the countries that formed SFRY were not actually the hotspot of the European Union in regards to membership. At the beginning of the third millennium, things were slowly changing. Slovenia is a country closest to central Europe and the country had not experienced damages and casualties from the war as was the case with other countries in the Balkans. That is one of the reasons why Slovenia entered the EU much earlier than other countries of SFRY. And that point in time is when the European Union began talking about and with Balkan countries strategically. It basically all started with the Thessaloniki Agenda of 2003, where the Heads of States alongside the President of the European Commission agreed on the Declaration that stated the support of the European Union to countries of the Balkans and highlighted obligations of countries that are to become candidates and eventually members. This agenda was more declarative than meaningful, as the primary purpose was to establish the fact that all of the countries have the priority of the European agenda (European Commission, 2003). For this reason, over the next couple of years, the only tangible result following the signing of the agenda was the visa-free regime for Western Balkan countries.

For these reasons and more, the European Union has a special agenda for the Western Balkans called the stabilization and association process. The goal of this process is to make sure the Balkan countries are stable both economically and politically and promote regional collaboration all with the end goal of attaining EU member status. The way this stabilisation and association process works is by contributing through financial assistance to improve the economy, reconstruction and development in the Western Balkans nations. Also the stabilization and association agreements are contracts which make their efforts more binding. With this agreement, the Western Balkans countries are currently involved in establishing a free-trade area, to become adjusted to the one within the EU (European Commission, 2016).

In 2013, Croatia became a member of the European Union. Based on the already mentioned case of Greece, is it possible that the EU is changing foreign policy and adjusting it to Balkans therefor lessening the criteria for admittance? That is a possibility, but not in the sense that there is a special enlargement policy for countries of Western Balkans, instead an enlargement policy which is merit-based, which sets different goals for each candidate country to be achieved. Further analysis of this situation will continue later on, but to clear up how the enlargement policy is adjusted, for example the implementation of the case Sejdić-Finci decision was a requirement for starting the procedure of B&H becoming a candidate. Dervo Sejdić and Jakob Finci, are B&H citizens who filed lawsuits in 2006 in accordance with Article 34 of the Convention for the Protection of Human Rights and Fundamental Freedoms, due to for their inability to run as Roma or Jews for members of the House of Peoples nor the Presidency of Bosnia and Herzegovina. The issue is that the constitution of B&H stipulates that only members of the Croat, Bosniak or Serb people may run for these state bodies, thus goes against human rights. After a few years of failing to make any constitutional changes,

the EU postponed the implementation of the decision and modifications to the Constitution, rather setting the Reform Agenda as a priority, alongside with co-ordination mechanism. Even though the European Union sets goals and priorities to the European path for candidates, it is evident (from Greece's case) that there could be different standards depending on the country and the overall situation within the EU and outside of it.

When it comes to the Western Balkans, the rising influence of Russia in the area and possibility of future conflicts are important factors taken into consideration by EU officials regarding foreign and enlargement policies. "There are favourable trends to make this possible: the EU has emerged as the unchallenged international actor in the Balkans; the region, exhausted by a decade of conflict, is recovering stability and the capacity to cooperate; the EU has no other equally plausible enlargement agenda in sight and could use the direct involvement of some of its Member States in the region to facilitate the accession process. There are three international factors that have recently reinforced the EU's role as the key player in the region: these concern the evolution of the respective roles of the United States, Russia and Turkey" (Rupnik, 2011, p. 7). One of the focuses with the European integration process is to reduce the US's influence within Bosnia and Herzegovina, however this will continue to be a slow process considering the fact that the United States is considered an ally in the region, especially when it comes to its role in Bosnia and Herzegovina and Kosovo. Russia also has its own sense of power in the region, mainly based on close ties to Belgrade, especially by attaining a major stake in Serbia's energy sector. Russia was to return the favour by supporting Serbia in the case of Kosovo to the UN Security Council. Following the International Court of Justice's ruling on Kosovo independence in 2010, Belgrade was doomed to face reality, as well as Russia who had no choice but to accept the decision. For this reason, one can assume that Russia is unable to cause much drift within the Balkans, instead Kosovo seems to still be used as a device for negotiating Russia's own benefits and prosperity (Rupnik, 2011, p. 8).

As of February 2020, the European Commission claims that the EU enlargement to the Western Balkans is of precedence and for this reason has laid out new proposals for the enlargement process. The new goals are to make it more credible and provide a stronger political steer. To achieve this, the plan is to improve dialogue amongst leaders and organise EU-Western Balkans summits more often so that the Western Balkans nations have more support and guidance, as well as have the EU oversee the process more. Furthermore, the new proposals will focus on speeding up the accession process as well as providing more precise expectations and demands. Also, there shall be some penalties in cases where progress has not been made so that 'slacking off' is not an option. These provisions are part of the Zagreb Declaration, officially accepted in May, 2020 (European Western Balkans, 2020).

2.2 Slovenia's Accession to the European Union

2.2.1 Slovenian path to the EU membership

Slovenia is the first country in the Western Balkans that became a member of the European Union. The accession of Slovenia was possible due to a geo-political status and historical circumstances, which in many ways differ from other Balkan countries. "Throughout its history, Slovenia kept its own language and culture as well as a homogeneous population. These factors have helped Slovenia maintain its own national identity and socio-political cohesion and, not least, encouraged Slovenians to vote overwhelmingly (with an 86 percent majority) for independence in the critical referendum held at the end of 1990." (Mrak, Rojec & Silva-Jáuregui, 2004, p. xx). After claiming independence followed by the Ten-Day War for independence, it was a logical step for Slovenia to begin with the application for accession to the European Union. Even though Slovenia did not have any concrete issues with neighbouring countries from the Balkans, Slovenia did have some problems with Italy. Slovenia was acknowledged as an independent state by its bordering Italy and most other EU member states on January 15, 1992. Soon after, the status of the Italian minority in Slovenia came into question resulting in an uproar of confrontations and allegations which led to Slovenia becoming a Council of Europe member almost a full year after being admitted to the UN, on May 14, 1993. However, these allegations did not stop Italy from allowing Slovenia the right to be included in almost 50 relevant treaties that had been agreed upon amongst Italy and Yugoslavia. Among them was the Treaty of Rome (1983), an agreement on compensation for the taken Italian property in the border area.

On the 10th of May, 1994, there was a change in the politics of Italy, with Silvio Berlusconi's presidency, Italy went against the agreement and required for its land to be returned. Accordingly, Slovenia ignored the requests by following international law, so Italy vetoed dialogues in the Europe Agreement. According to Italy, Slovenia's purchase of land was not in accord with European legislation. Although it was possible to sell land after becoming an EU member state, Slovenia couldn't fight for its rights since it had not been an EU member. The European Union sided with Italy in order to keep a strong member of the Union satisfied and demanded Slovenia change its legislation. In order to sign the Europe Agreement, Slovenia promised to change its constitution which made it possible for foreigners to buy land. As a result, the negotiating process was able to be continued, but not before fulfilling Italy's demand of Adding Annex XIII to the agreement. The final outcome was that according to the Slovenian constitution, EU nationals living in the Republic of Slovenia for a minimum of three years would be able to acquire ownership to land (Mrak, Rojec & Silva-Jáuregui, 2004). When the political situation in Italy started changing, with the technical government of Lamberto Dini and after that Romano Prodi, relations between Italy and Slovenia started improving. This led to the moment when Slovenia signed the Europe

Agreement in 1996 which entered into force in 1999. Slovenia had also applied for membership directly, unlike other countries of that enlargement round, immediately after the Europe Agreement was signed. Actually, Slovenia did it on the same date the Europe Agreement was signed. This was a smart choice considering that the European Commission took the application into consideration along with the nine other EU candidates in 1997. Their comment was that Slovenia had achieved the necessary economic and political standards for EU accession. Additionally, it was mentioned how much effort would be needed for Slovenia to implement the *acquis*, mainly in regards to the internal market, employment, environment, social affairs and energy (Dallara, 2014). The negotiations started in 1997, with Slovenia accompanying Poland, Czech Republic, Hungary, Estonia and Cyprus in negotiations. Actually, Slovenia was well-prepared before entering negotiations, having adopted a number of documents in order to maintain stability and prepare the country and market for accession. "Between 1994 and 1996 it had prepared a "Strategy for Economic Development of Slovenia", a "Strategy of International Economic Relations" (SIERS) and a "Strategy for increasing Competitiveness Capabilities of Slovenian Industry". It was largely on the basis of these last two documents that the government drafted its "Strategy for Accession to the European Union" in 1998." (Dallara, 2014, p. 35). As it was stated in an article by Potočnik and Lombardero (2004, p. 375), Slovenia was more focused on internal adjustments in periods of negotiations, than the negotiations itself, as it was very important to make the necessary steps for the transitional period. In that process of adjustment and in line with specific circumstances differentiating Slovenia from other countries of that enlargement round, Slovenia had shown itself as a successful candidate. Slovenia prospered in accomplishing a satisfactory level of democracy and support making it possible to advance without many obstacles. "Slovenia's favourable starting position, reflected largely in its relatively high level of development compared with the other candidate countries, as well as its small size, which allowed it adequate flexibility, helped Slovenia become one of the most successful candidates in the process of adjustment."

2.2.2 Slovenia's Progress and current status

When it comes to the progress and status of Slovenia in the European Union, we will take a look at the European Commission report on the progress and status of Slovenia. In general, the economy of Slovenia is growing steadily and Slovenia managed to keep the numbers in line with requirements of the European Union. The 2020 EU Country reports show that Slovenia managed to control and address major challenges. "Slovenia's successful rebalancing sets the ground for addressing medium and long-term challenges. The sources of imbalances that led to the deep crisis of 2012-2013 have rapidly receded, also due to sustained policy action. The economy is now growing robustly. Addressing remaining weaknesses in the banking and corporate sector, unleashing investment and productivity growth and reforming the pension, health and long-term care systems remain key priorities to put the economy on a dynamic and sustainable growth path."

(European Commission, 2020). When it comes to the labour market, there are also positive indications which show steady growth of the economy. Employment has been on the rise which results in the unemployment rate dropping. There is still little development regarding wage increase, yet this is staying in line with developments in productivity. Positive economic developments have resulted in a drop in poverty rates and very low risk of people reaching this stage (European Commission, 2020). There is also slow progress, but progress, in regards to recommendations by EU bodies. It is important to take into consideration the EU country-specific recommendations. Slovenia's progress on these matters have slowed a bit, however still seem to follow a positive trend. In recent years, the topic of pension reform has been tossed around along with long-term care, however no meaningful changes have been made. A few healthcare reform laws have been adopted although the key regulation has yet to have been executed. On a more positive note, employability of low-skilled and elderly workers as well is on a rise, which is worthy of praise. Furthermore, Slovenia has been successful in carrying out privatisations in accordance with plans, as well as showing a slight improvement public procurement procedures. However, the nation still has some work to do on the investment related economic policy which has the goal of developing various fields such as innovation, research, transportation, rail in particular, and environmental infrastructure on the whole (European Commission, 2020). According to the Report, Slovenia still has some challenges that are to be tackled in future, but the report shows satisfying results given the circumstances which will be used as foundation for future.

2.3 Croatia's Accession to the European Union

2.3.1 Croatian path to the EU membership

Croatia was also one of the SFRY countries in past. After the formal retraction from SFRY it was involved in a war in the Western Balkans. It was much more involved than Slovenia was, so it had a different outcome in regards to accession to the European Union. Upon becoming an independent nation, Croatia focused on progressing in the political and economic sense. In 1995, after Croatia had achieved state sovereignty, its government held its first meetings with the EU. The Trade and Cooperation Agreement focused on three areas resulting the three main agreements. The first was the Trade and Cooperation Agreement which regarded the economic procedure, then we have the Transport Agreement, and the Coal and Steel Agreement. Croatia joined the Council of Europe in 1996, which was meant to be the starting point for Croatia to continue onto becoming an EU members state (Vizjak & Vizjak, 2015). Even though this was not actually the formal part of accession procedure, it was precondition for starting the accession procedure. After that, Croatian government started the proceedings and to start with Stabilization and Association Agreement, which we have already mentioned. Croatia was the first country in the region, excluding Slovenia, to start with the fulfilling the set of Criteria. "Within the framework of the Agreement, provisions

were considered on political dialogue, mutual co-operation, harmonization of legislation, technical assistance, and the creation of the necessary institutional structures to guarantee the implementation of the Agreement” (Vizjak & Vizjak, 2015, p. 8). In meantime, Croatia also applied for membership in World Trade Organization. Croatia tried a number of times to become a World Trade Organization member and were finally admitted as the 139th member state in the July of 2000 at a conference in Geneva. During the time Croatia had to fulfil accepted obligations in order to become a member of the EU, it was highly important for the country to have the investments in infrastructure, economy, social security, etc., so the European Investment Bank and European Bank for Reconstruction and Development loans were very helpful in order to foster the transition period and make it possible for country to speed up the accession process and achieve political and economic stability. In the period from 2007 to 2013, a total of 1.6 billion euros was given to Croatia from the EU for project funding as part of the Instrument for Pre-Accession Assistance (IPA). IPA is an EU aid programme meant for EU candidate nations to assist in making their national legislation coherent with the EU’s *acquis communautaire*. The bilateral free trade agreement was the first to be signed, after which the access to the common market as well as reworking all legal and economic regulations. The final step was Croatia’s accession to the monetary union which comes full circle in showing the collaboration the EU and accession countries. Croatia was able to complete the Accession Agreement with the European Union fairly quickly, becoming the official 28th EU member state as of July 1, 2013 (Vizjak & Vizjak, 2015).

2.3.2 Croatia’s Progress and current status

Croatia has been member of the EU for eight years and the feelings of people in Croatia about the EU are mixed. In the report made by European Commission, there are some challenges brought up by this body. “Croatia's potential growth remains insufficient to enable faster convergence although projected to increase somewhat over the medium term. As the working age population continues shrinking and labour utilization remains chronically low, Croatia's prospects of speeding up its economic growth will increasingly depend on the capacity to implement structural reforms. Raising potential growth requires structural reforms that will allow for faster productivity growth, higher participation in the labour market and a business environment that is more attractive for investment.” (European Commission, 2018). The issue, related to this one, is that since becoming a member of European Union, Croatia has a problem with sort of “population exodus”. The standard of living in Croatia is a bit higher than in other countries in region, but the quality of life is much lower than Western European countries. That is the reason why people are taking advantage of free movement in European Union. Many correctly predicted that once Croatia became an EU member states, an exodus would occur, with many people emigrating from Croatia with hopes of achieving better jobs and style of life. The most popular choice to emigrate to for Croatians is Germany, Sweden and Ireland, and the numbers of those leaving worrisome.

According to statistics, in the past 10 years, more than 200,000 Croatians have moved to other nations within the EU (Thomas, 2017). The problem for Croatia is in the fact that people leaving Croatia are mostly labourers or young educated people, so it loses the work force and youth, categories that are pillars of present and future economy. According to official surveys and research, it is mostly the younger population (ages 25-40) of Croatian citizens that have decided to start their lives in other parts of the EU, of which almost 40 percent hold university diplomas. Many of those who have decided to leave state that they feel upset that can't imagine a positive future for themselves in their homeland (BIRN, 2019). This issue is highly relatable to the issue stated in Report of EC, which states that Croatia is unable to make steady growth, because of unstable market and lack of labour force. Further on, the Report states that the growth of Croatia is slowly decreasing compared to the growth before 2016.

According to the 2020 EU Progress Report for Croatia, the population is continuing to decrease, especially in lesser developed areas, which should very well be worrisome for the nation's government. On a positive note, the unemployment rate is at its lowest ever, at just about 8%, however one must ask whether the lack of population has anything to do with this, which may even result in an even greater increase in labour shortages, which is currently the case in some sectors. Other important findings in the 2020 report include a slight increase in GDP along with a fall of inflation rates following 2019. All in all, Croatia achieved good results over the past five years in most areas covered by the United Nations Sustainable Development Goals. In order to take serious consideration of what the status of Croatia is, after becoming a member, we can see it from the interview of former president of Croatia, Ivo Josipović, who was the president at the time when Croatia became a member of European Union. Even though there wasn't much economic change in Croatia right up until EU accession, there seem to have been a positive change within the general public. Corruption was being combatted, there was more respect for human and minority rights, and Croatia spent more time on being on good terms with their surrounding countries.

After that, Croatia began to regress and the above mentioned improved traits started to diminish. Now they seem to face recession with weak signs of recovering along with high debt and adverse demographic tendencies which all result in what seems to be a failed society. "Croatia seems to have forgotten that the need for reforms does not stop with entry into the EU. People believe that they can again do whatever they want: rude, clientelism, corruption, the absence of a plan for societal development. There are few people who realise that social regression is bringing our homeland to the club of global losers" (Pavlič, 2017).

2.4 Serbia, Montenegro, Kosovo and North Macedonia EU Accession Status

All of the mentioned countries started a procedure of becoming members of the European Union. When it comes to Montenegro and Serbia in light of becoming members, the goal that has been set by the European Union is 2025. Although, this does not mean that the rest of the Balkan countries are to become members later, the goal is set based on the current state, with the possibility of other countries taking the advantage. Six years after becoming an independent nation, Montenegro began EU accession negotiations as of June 2012. One can say that it is the most advanced of all the Western Balkan countries on its path to achieving EU status. In December 2008, an official EU accession application was filed (Bartunek, 2018). The same can't be said for Serbia, which has had a long and quite rough journey towards EU membership. Although the majority of Eastern Europe's communist regimes fell apart in 1989, Slobodan Milošević's remained the leader for an additional ten years in Serbia. During that period, Serbia was faced with economic stagnation and repression, along with the aftereffects of having been in a war, they were far from being able to join the EU. In October of 2000, Milošević was overthrown, however it wasn't until the end of 2009 that Serbia officially applied for membership to the EU. The country's journey to EU accession has been a long one, with various obstacles such as Prime Minister Zoran Đinđić's assassination in March of 2003 which caused additional unease and instability. Despite Kosovo's great aspiration to become an EU member, ten years after it had declared independence, the EU Commission published a strategy for Kosovo accession to the Western Balkans, not the European Union. This first step was necessary due to Kosovo's various problems including corruption and vast unemployment, especially among the nation's youth. In its 2008 announcement of independence, Kosovo expressed its wish "to become fully integrated into the Euro-Atlantic family of democracies" and "our intention to take all steps necessary to facilitate full membership in the European Union" (Hehir, 2018).

2.4.1 Serbia

Serbia was the part of SFRY until the point where most of the other member countries of SFRY became independent, leaving Serbia and Montenegro the only countries as part of SFRY. That was a cause of the war in the Balkans and aggression on Bosnia and Herzegovina and Croatia. Many soldiers and high officers of the Serbia and Montenegro army were convicted of war crime, with Slobodan Milosevic, president of the country at the time, convicted for war crime by ICTY. The path of Serbia has been slower than was expected. It was mostly because of the unresolved relations with Kosovo. In 2008, early elections were held in Serbia due to various polemics such as Vojislav Koštunica wanting to terminate the Stabilization and Association Agreement and being adamant on having the EU deny Kosovo's independence. As a result of the elections, the pro-European candidate Boris Tadić became president for a second term (Fagan, 2016). Serbia was part of the

Thessaloniki Agenda, mentioned before, in 2003, which was actually the Balkan countries showing that they are open for the EU perspective. The Thessaloniki European Council summit was held in 2003. This summit resulted in Serbia being recognised as a potential candidate for EU accession. A European partnership for Serbia was implemented in 2008, with focus on the country's priorities for accession application. Serbia officially applied in 2009 and has been an EU candidate since March 2012. A Stabilisation and Association Agreement between Serbia and the EU became effective in September 2013. The European Council adopted the negotiating framework in December 2013. In January 2014, the 1st Intergovernmental Conference was held, indicating the official initiation of accession negotiations for Serbia. After the first Intergovernmental Conference Serbia started opening the negotiations, Chapters which are sets of obligations delivered to Serbia to be implemented in order to achieve a certain level of stability to be able to become a member of the European Union. The last opened Chapters were at the end of 2017, Chapter 6 – Company Law and Chapter 30 – External Relations. From this point of view Serbia could be a member of the EU before 2025 as stated by European Commissioner Johannes Hahn: “We have set 2025 as an indicative date for Serbia and Montenegro, which is realistic but also very ambitious.” (European Commission, 2020c). Still, the biggest issue of Serbia is Kosovo and recently possible interference of Russia in politics in Serbia, so the outcome of their path will be tied to the fact if they manage to tackle and resolve these issues. That is actually the reason why the prediction of 2025 was both realistic and ambitious.

2.4.2 Montenegro

Montenegro has done a tremendous amount of work since its independence from Serbia in 2006. The progress of the country can be recognised in the fact that in 14 years of independency, not only are they in front of other Balkan countries in terms of candidacy status for European Union membership, but Montenegro has become a member of NATO in 2017. This shows their progressive path to become valuable member of the international community. The path of Montenegro to EU itself, has been remarkable. Montenegro declared its independence from the State Union of Serbia and Montenegro in 2006. Soon after, in 2008, it applied for EU membership. The EU Commission gave positive feedback to Montenegro’s application in 2010, granting it candidate status whilst providing advice on which areas need improvement in order to begin negotiations. In June 2012, the EU accession negotiations with Montenegro officially began. So far, Montenegro opened 33 Chapters, which shows that it is far ahead of other countries from region, as Serbia opened 18, with other countries not yet at the point of opening Chapters (European Western Balkans, 2019).

2.4.3 Kosovo

The one thing that differs Kosovo from other Balkan countries in terms of EU membership is the public opinion about the EU membership. Compared to other Western Balkan countries, Kosovo's citizens are the most eager to join the EU with 90% in support of EU accession and they believed that they would join by 2020 however that still hasn't happened (Hehir, 2018). As of 2013, Kosovo began negotiations regarding the Stabilisation and Association Agreement. Enlargement Commissioner, Štefan Füle, declared that the SAA will be resolved in the form of an EU-only agreement, thus there is no need to be approved by the individual EU member states. The Stabilisation and Association Agreement between the EU and Kosovo entered into force in April 2016. As of July, 2018 the Commission has confirmed that Kosovo has satisfied all of the visa liberalisation targets. Three years later, Kosovo is still waiting for the green light on the Commission's proposal from the European Parliament and the Council. Even though Kosovo has formally started the procedure, it would be hard for Kosovo to see it through, as for example, visa rules are much stricter for Kosovo than for other Balkan countries. In order for Kosovo to formally apply for membership, there are still five EU countries which need to officially accept it as a country, without their approval, Kosovo cannot be considered an independent state for the EU nor apply for membership. If this non-recognition is formally stated there could be many implications such as Kosovo not having any EU perspectives, demoralise pro-European reformers which could result in Kosovo delaying reform attempts and be the cause of instability (Press Corner European Commission, 2019). Looking at the current state of things, Kosovo will need much more time to enter European Union than any other Balkan country.

2.4.4 North Macedonia

The Republic of North Macedonia's application for EU membership was first submitted on March 22, 2004. After this, the Macedonian government adopted the EU's Stabilisation and Association process, followed by the government completing the European Commission questionnaire about its implementation in preparation for membership in accordance with the Copenhagen criteria. The following year, on November 9, 2005 a favourable opinion was received from the Commission, resulting in The Republic of North Macedonia being rewarded candidate status the following month. As of March 2020, formal approval has been given to begin EU accession talks with North Macedonia and Albania (RFE/RL's Balkan Service, 2020).

It is important to mention the Former Yugoslav Republic of Macedonia is today known as North Macedonia following its final decision to change its name officially. This was one of the main requirements for the country to be able to continue its path towards the EU, a battle which lasted for over 100 years due to the fact that Greece felt the name Macedonia implied territorial desires

towards Greece's own northern province of Macedonia. Considering that Greece is already a member state of the EU, they had full right to veto any chance of North Macedonia becoming an official Member due to the dispute regarding the name. On June 12, 2018 the Prespa agreement was completed between former North Macedonian president Zoran Zaev and former Greek prime minister Alexis Tsipras, stating that the country would be renamed the Republic of North Macedonia, thus resulting in Greece withdrawing any previous opposition to their Accession (BBC News, 2018a).

North Macedonia's government created a management organisation for the European integration process. It consists of six institutions geared towards achieving all necessary steps for EU Accession, proving how seriously the North Macedonian government has worked on becoming a Member State. Currently North Macedonia is receiving €608 million of development assistance until 2020 from the Instrument for Pre-Accession Assistance, a funding instrument for EU candidate countries (European Commission, 2020d).

The main milestones of the accession process for Former Yugoslav Republic States are summarised in Table 1.

Table 1: EU Enlargement Progress for Former Yugoslav Republic States

	Current Status	SAA signed / enforced	Application for EU membership	EU Candidate status since	Start of accession negotiations	EU Member Status since
Slovenia	EU Member	1996/1999*	1996	1997-2004	1998	2004
Croatia	EU Member	2000/2001	2003	2004-2013	2005	2013
North Macedonia	Candidate Country	2001/2004	2004	2005	2020	-
Montenegro	Candidate Country	2007/2010	2008	2010	2012	-
Serbia	Candidate Country	2008/2013	2009	2012	2014	-
Bosnia and Herz.	Potential candidate	2008/2015	2016	-	-	-
Kosovo	Potential candidate	2014/2016	-	-	-	-

*Note**: Slovenia signed Europe Agreement with the EU.

Source: Adapted from European Commission, 2020b

3 BOSNIA AND HERZEGOVINA'S EU ACCESSION PROCESS

3.1 History of Bosnia and Herzegovina

Bosnia and Herzegovina is a country with a thousand-year long history. In the second half of the tenth century it was mentioned in the work of Byzantine emperor Constantine Porfirogenet "De administrando imperio" and in The Charter of Kulin Ban in 1189, it is undeniable that B&H was independent even at that time. During the reign of Tvrtko I Kotromanić in 1377, Bosnia was declared a kingdom. In 1463, Bosnia came under the ruling of the Ottoman empire. After almost 500 years, the Austro-Hungarian Empire annexed Bosnia and stayed there until WWI. After that, Bosnia and Herzegovina existed within the Kingdom of SHS (Serbs, Croats and Slovenes) and during the WWII, Bosnia renewed its sovereignty within the Yugoslav Federation, which was later reorganised into SFRY. As Kurtćehajić states in his work, "After the Yugoslav crisis, which culminated in 1991 and 1992, Yugoslavia was in dissolution and peoples and citizens of Bosnia and Herzegovina at the referendum on 29 February and 1 March 1992 voted for independence. The protagonists of greater Serbs policy could not accept such a solution for Bosnia and Herzegovina and that was followed by aggression, which, after three and a half years ended by painful compromises contained in the Dayton Peace Agreement." (Kurtćehajić, 2012, p. 275)

Bosnia and Herzegovina is commonly viewed as a country that has been in transition for the last 30 years, yet having read this brief historic overview, we can argue that Bosnia and Herzegovina has actually been in transition for more than 100 years. After the Ottoman Empire left the country, it changed a number of different governments and political systems, from a monarchy, to communism and now democracy. Even though Bosnia and Herzegovina was struggling in the twentieth century, the real problems and greatest consequences are the result of the last 30 years and we shall further elaborate and explain it in this section.

Bosnia and Herzegovina is a country located on the western peninsula of the Balkans in Europe. B&H's largest region occupies the north and centre of the country, and Herzegovina is located in the south and southwest. Sarajevo is the capital city, Mostar and Banja Luka are also considered the major regional cities. The country has often felt the influences of the strongest regional powers vying for its control, and these influences have contributed to the creation of the rich ethnic and religious mix, characteristic to Bosnia and Herzegovina. Islam, Roman Catholicism and Orthodox Christianity are the most common religions of its citizens and the three religions generally correspond to three main ethnic groups: Bosniaks, Croats and Serbs, respectively. According to the last census performed in 2013, 50% of the population declared themselves as Bosniak ethnicity, 31% Serbian, 15% Croat and 4% as 'Other'. This multi-ethnic population, as well as the country's

historical and geographical position between Croatia and Serbia, make Bosnia and Herzegovina susceptible to nationalist territorial ambitions (Lampe, 2020).

Nevertheless, Bosnia and Herzegovina is called the European Jerusalem, due to centuries long multiculturalism, multi-ethnic society and multi-religious society. Corrupt ideas, politicians and nationalistic ideologies were the fire and the gasoline in Balkan societies which provoked and started the aggression on Bosnia and Herzegovina with the aim of creating a 'Greater Serbia'. The ideology includes claims to several territories outside of present-day Serbia, including the entire former Yugoslavia except Slovenia and part of Croatia (Kulenović, 1998). It all began when Bosnia and Herzegovina organised a referendum for independence which saw the majority of the population voting for an independent Bosnia and Herzegovina. That was something that Serb leading politicians in B&H could not accept. The intention of starting the aggression and the first idea of genocide could be understood from Radovan Karadžić, former president of Republika Srpska, entity in Bosnia and Herzegovina, during his address to the Bosnian parliament in 1991: "This, what you are doing, is not good. This is the path that you want to take Bosnia and Herzegovina on, the same highway of hell and death that Slovenia and Croatia went on. Don't think that you won't take Bosnia and Herzegovina into hell, and the Muslim people maybe into extinction. Because the Muslim people cannot defend themselves if there is war here." Besides this, the European Community (today European Union) had an idea of further division of Bosnia and Herzegovina, but the idea was dismissed by major ethnic parties, as it was unacceptable to divide Bosnia and Herzegovina, as it was suggested, into "ethnic" cantons (ICTY, 2010).

There are many things that were the causes of aggression towards Bosnia and Herzegovina, but the trigger was the recognition of Bosnia and Herzegovina by the USA and European Community. The war began on April 3, 1992 with the Battle of Kupres. Three days later Sarajevo was surrounded and on April 7, 1992, Bosnian Serbs organised in paramilitary organizations started firing at Sarajevo and started the siege of Sarajevo which lasted for almost four years and during which on average 329 grenades were dropped daily on Sarajevo. In Eastern Bosnia, the Yugoslav army, completely held by Serbs, Serbian paramilitary organisations and local Bosnian Serbs started with ethnic cleansing in cities such as Zvornik, Foča, Višegrad and other towns in that area. The Bosnian government was weakened by the international arms embargo but also with another conflict with Bosnian Croats who proclaimed a fascist para-state Herzeg-Bosna, with their generals recently being convicted by ICTY for joint criminal enterprise (Kulenović, 1998).

As Pickering and his colleagues expressed, "The United Nations (UN) refused to intervene in the Bosnian conflict, but UN Protection Force (UNPROFOR) troops did facilitate the delivery of humanitarian aid. The organization later extended its role to the protection of a number of UN-declared "safe areas." However, the UN failed to protect the safe area of Srebrenica in July 1995,

when Bosnian Serb forces perpetrated the genocide of more than 8,000 Bosniak men.” (BBC News, 2020).

This is an important point in history which is reflected now, and this incident is the reason why Bosniaks lack trust towards the international community. During the war, several peace proposals have failed mostly because the Bosnian Serbs, who commanded approximately 70 percent of the land by 1994, declined to concede any territory. In February 1994, four Bosnian Serb aircrafts were shot down by NATO fighters since they were disobeying the no-fly zone over the country which was enforced by the UN. This was NATO’s first ever used force against the Bosnian Serbs. Also, during that year, upon the UN’s request, NATO began air strikes against Bosnian Serb targets. But following the Srebrenica massacre and yet another Bosnian Serb attack on a Sarajevo marketplace, NATO commenced more intense air strikes late in 1995. Combined with a significant Bosnian Croat offensive on land, these actions resulted in Bosnian Serb forces agreeing to US-sponsored peace talks in Dayton, Ohio, USA, in November. The President of Croatia, Franjo Tuđman represented the Croats, Serbian President, Slobodan Milošević, the Bosnian Serbs, the President of Bosnia, Alija Izetbegović represented the Bosnians. As a result of the Dayton Agreement, a decision was made to reorganise the governmental system of Bosnia and Herzegovina, so that 51% of the country would be the Croatian-Bosnian Federation, and 49% Republika Srpska. An international military force of 60,000 was deployed to implement the agreement formally signed in December 1995. The total death toll as a result of the 1992-95 war was approximately 100,000 (BBC News, 2020).

3.1.1 Dayton Agreement

Analysing the Dayton Agreement further, it is evident that has not been amendment in the last 25 years, “The General Framework Agreement for Peace in Bosnia and Herzegovina, also known as the Dayton Peace Agreement (DPA), Dayton Accords, Paris Protocol or Dayton-Paris Agreement, is the peace agreement reached at Wright-Patterson Air Force Base near Dayton, Ohio, United States, in November 1995, and formally signed in Paris on 14 December 1995. These accords put an end to the 3.5-year-long Bosnian War, one of the armed conflicts in the former Socialist Federative Republic of Yugoslavia. The current Constitution of Bosnia and Herzegovina is the Annex 4 of the DPA” (OSCE, 1995).

When the Bosnian and Croatian army started regaining territory taken by Bosnian Serbs in B&H, USA President Bill Clinton sent his officials to Europe, in order to present a framework for peace in Balkans. Also, the US shifted its approach to the Balkans as the US did not directly interfere in the war in Bosnia, but they gave a warning that if Serbs continue to threaten Bosnian safe areas and refuse peaceful settlement, the USA will consider air strikes on Serb’s positions. Following a

Bosnian Serb offensive in Sarajevo in late August 1995, NATO launched air attacks against Serb positions. Holbrooke declared on September 1 that all parties would meet in Geneva for discussions. NATO air strikes resumed when the Bosnian Serbs failed to comply with all of NATO's demands. On September 14, Holbrooke was successful in convincing Radovan Karadžić and Ratko Mladić, Bosnian Serb leaders, to sign an agreement to lift the siege of Sarajevo, establishing the groundwork for final peace talks to begin in Dayton, Ohio. "On Nov. 1, 1995, the conference began. Bosnian President Izetbegović, Serbian President Milošević, Croatian President Tuđman, and representatives from the United States, the United Kingdom, France, Germany, Italy, Russia, and the European Union (EU) met at the Wright-Patterson Air Force Base on the outskirts of Dayton, Ohio, a site chosen to reduce the ability of participants to negotiate via the media rather than the bargaining table. The peace conference was led by Holbrooke." (Clinton, 2009).

Twenty-one days after the start of the Conference, the talks resulted in a Peace Agreement. The implementation of the agreement was helped by the US government and military troops and other countries of Europe, as it was very important to have support of big countries with influence in the international community. It was necessary because of the de-militarization part of the Dayton Agreement as there was the possibility of fraudulent behaviour in that regards. The interesting part is that the Dayton Peace Agreement has the Constitution of Bosnia and Herzegovina within it, as Annex IV of the Dayton Peace Agreement and it is unchanged to this day.

The way in which the government was organized by the Dayton agreement is perplexing. Any B&H citizen who gets their voting ballot is usually surprised by the amount of decisions and options they have to make. Bosnia has five 'presidents', fourteen parliaments, and 136 appointed ministers. As for the president, there is a three-member body which replaces the single president which is the case in all other countries. Each of these three members represents one of the three constituent people Bosniaks, Croats and Serbs. The presidency is primarily in control of foreign policy and all decisions they make regarding it should be based on consensus which is rarely the case when deciding on international agreements as views among major ethnic groups usually differ. Then there is the Parliamentary Assembly of Bosnia and Herzegovina which is typical for most democratic nations. After that, things become more complex with government arrangement of entities, both Republika Srpska and the Federation of Bosnia and Herzegovina have their own presidents, vice presidents, prime ministers, Parliament's and ministers. Additionally, the Federation of Bosnia and Herzegovina has ten Cantons, or administrative units set up so that in some areas where Croats and Bosniaks are a majority, citizens are given options to vote for the Parliamentary Assembly for one of those ten Cantons. Finally, B&H has municipalities, a total of 143 of them, not including Brčko District which was established in 2000 and functions as a separate administrative unit but constituent part of B&H, not belonging to Republika Srpska nor the Federation of B&H (Chandler, 2000). This government arrangement of B&H established by the

Dayton Agreement created more than 25 years ago is not only complex, but costly and often times dysfunctional. At the time, its main aim was to end the war and attempt to keep all three of the ethnic groups in B&H content, however a correction of the Agreement, which is essentially the B&H Constitution is in dire need of an adaptation. This is something that the international community should focus on and take control of since they were the ones who organized it as such.

Another unique thing in Bosnia and Herzegovina which is the direct result of the Dayton Peace Agreement is the Office of the High Representative. The fact that the Office of the High Representative was an ad hoc body that was supposed to function until Bosnia and Herzegovina was able to take matters in its own hands and that it is still active in B&H, shows that the B&H is not yet ready for that scenario. The most interesting thing when it comes to the OHR and High Representative are Bonn Powers. At the Bonn Peace Implementation Conference in 1997, the Peace Implementation Council, the body that oversees the activities of the High Representative agreed to vest the Bonn Powers to the institution of the High Representative. These powers mean that the High Representative can make a decision on questions that parties in B&H couldn't agree on. These decisions would be binding until parties agree on it in accordance with the Dayton Peace Agreement (OHR, 2016).

This means that the High Representative has powers to enact laws and decisions in accordance to the Constitution of Bosnia and Herzegovina. It also gives power to the High Representative to discharge officials that are violating commitments under the Peace Agreement, even though this was not the situation recently. As reported in 1998, "The High Representative has written this morning to Dragan Čavić, Vice-Chairman of the SDS, notifying him of his decision to remove him from office in the newly elected Republika Srpska Assembly, using the authority vested in him by the Bonn Peace Implementation Council. Mr. Čavić is also barred indefinitely from holding further official positions in B&H. In his letter the High Representative expresses his extreme displeasure at the statements made by Mr. Čavić, on Kosovo and on the outcome of the recent elections, on October 5, interpreting these as an incitement to violence and a deliberate threat to the security of the International Community, and to the Dayton peace implementation process. The High Representative will not tolerate the continuation in office of any official who seeks to provoke violent behaviour or exacerbate political tensions." (OHR, 2016).

This is an example when elected official was fired from office. In that period more than 150 officials were dismissed and banned from running for office. The Bonn Powers have mostly been used in Bosnia and Herzegovina in the first years after the war. From 1997 to 2012, high representatives in B&H imposed a total of 899 decisions. (Banning, 2015).

3.1.2 Bosnia and Herzegovina Post-War (1995- 2021)

After the war, the first elections were held in accordance with the Constitution and the tripartite presidency was elected and national legislature in line with the ethnic proportionality. In the meantime, the Federation of Bosnia and Herzegovina and Republika Srpska were basically independent, with their own assemblies. The last few years of the previous millennium were pretty rough for B&H as it was very hard to start building the country again after the war. The situation was difficult because the people that were “yesterday” in a war had to build the country all over again. Due to the war the population in Bosnia and Herzegovina decreased extensively as a result of deaths and citizens emigrating from B&H in search of safety. A total of approximately 100,000 citizens of B&H tragically lost their lives a result of the war. The population in B&H prior to the war, in 1990, was almost 4.1 million people. There was a drastic drop in the population according to counts in 1995 with Bosnia’s population at about 3.8 million people, the majority of which were people who had emigrated to other countries during the war. Unfortunately, this number continues to decrease each year, so that even 25 years after the war, in 2020, the estimated population of B&H is about 3.28 million. What is possibly even more worrisome than the drastic drop in population is the change in median age. In 1990 the median age in B&H was 29.8, however today that number is about 43.1, which shows that either there is a significant drop in the number of babies being born and new generations, or a significant amount of the younger population has emigrated from B&H (Worldometer, 2021).

In the years that followed the end to the war, there was a feeling of uneasy peace within Bosnia and Herzegovina. Despite receiving vast international aid, its economy remained unstable. About half of the workforce in the Federation was unemployed and around 70% in Republika Srpska. However, in the early 2000s, World Bank-funded projects were able to rebuild most of the country's infrastructure, and some political and economic reforms were implemented. Unemployment in the country fell below 30 percent during the regional economic boom in 2006-08. The European bank credit and foreign direct investment were replaced by declining international assistance, while average economic growth rates were 6 per cent. Although the international financial crisis that started in 2008 affected the economy, however not as much as it did the other countries in the West Balkans (Pickering, 2020). The current account balance of Bosnia and Herzegovina has always been in deficit, yet it dropped to record low in 2020 of -3.2% of GDP, which shows a great improvement in comparison to previous years, which was for example -13.8% in 2008 (The World Bank, 2021).

Even though some may oppose it, the situation in Bosnia and Herzegovina is much better than it was 15 years ago. Although there are still issues and problems society is facing, the advancement can be easily seen for those who are keen to see it. The issue with B&H at the time was further integration within B&H. The positive thing was reform of defence which resulted in unification of

the Armed Forces of Bosnia and Herzegovina. Bosniaks, Croats, Serbs and others are part of the Armed Forces and all ethnicities are represented proportionally to the population of the ethnic groups in Bosnia and Herzegovina. Other issues, though, continue to hinder Bosnia and Herzegovina's internal integration, raising doubts about the country's ability to join the EU. The Federation of Bosnia and Herzegovina and Republika Srpska are still at odds and the idea of forming a new constitution, which would include terms such as a common police force, has yet to be accepted fully.

The root of these mentioned problems are lasting tensions between Bosniaks, Bosnian Croats and Bosnian Serbs. Their lack of mutual cooperation resulted in numerous failed attempts to write up a new constitution which is to replace the Dayton Agreement. The European Commission wrote about B&H's intricate decision-making method in their yearly Progress report, mentioning how the method obstructs advancement towards EU accession. In 2014, civil protests nicknamed "the Bosnian Spring" occurred throughout the country as a result of the government planning to privatise some of its prime state-owned companies. Protestors wanted government officials to resign for not properly working on various issues whilst receiving more than six times the average salary in Bosnia and Herzegovina for their work (or lack thereof). Bosnia and Herzegovina formally applied for EU membership in 2016 (Pickering, 2020). Even though the accession is far away from this point, Bosnia and Herzegovina has shown the will to continue on its EU path. In the last few years we also witnessed much better coordination and work among ex-Yugoslavia countries which resulted in many meetings of prime ministers from the region. Relations are still not very honest and resolved, but the improvement can be seen.

3.1.3 Bosnia and Herzegovina's Progress and Political Situation in light of Copenhagen Criteria

According to the Ker-Lindsay, "Twenty years after the signing of the Dayton Peace Accord, the agreement that put an end to the war that raged from 1992 to 1995, B&H still finds itself in a dire political, social and economic deadlock. Its political institutions are dysfunctional, economic growth remains limited, investments and nearly any potential for development and improvement is at the mercy of a handful of speculators. Social cohesion and inter-ethnic reconciliation are also victims of propaganda and political opportunism" (Ker-Lindsay, 2016). The EU must make sure new members are stable in order to protect its members and alliance. To do so, the Treaty on European Union provides the conditions (Article 49) and principles (Article 6(1)) to which any nation hoping join the European Union must obey. Specific criteria, known as the Copenhagen Criteria, were established by the Copenhagen European Council in 1993 and strengthened by the Madrid European Council in 1995. The first of the criteria concerns politics, the second is focuses on the economy and the third is regarding legal matters, to make sure all segments of the nation are well-developed prior to EU admission.

The first of the criteria is stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities. The current political situation in Bosnia and Herzegovina is far from ideal, with constant threats of government blockade, secession threats, nationalist and war rhetoric and many other issues that Bosnia and Herzegovina face, some indicators of progress bring hope of a brighter future.

The electoral framework of Bosnia and Herzegovina is in dire need of modification. Political leaders must take charge of their obligations and solve long-standing issues, for example B&H's Constitution goes against the European Convention of Human Rights as in the case of Sejdić- Finci (European Commission, 2018), which is unacceptable for EU accession. Furthermore, there is no political consensus due to two entities and this is a larger issue which again involves updating B&H's Constitution. Furthermore, in accordance with the Copenhagen Criteria, it is necessary to have stable institutions to ensure the democratic process. There are issues every election year with complaints about electoral fraud and non-transparent elections (Čomor, 2020). Additionally, it seems that rule of law is also an issue for B&H which, unfortunately, cannot boast with saying that it is winning the battle against corruption. According to Transparency International, out of 198 countries worldwide examined, B&H takes the 111th position for corruptness, a scale in which the 1st place is least corrupt, in which case we can only boast about being one of the most corrupt nations within Europe. As far as the West Balkans are concerned, B&H ranked worse than Montenegro, Serbia, Croatian, Kosovo and Albania, and tied with North Macedonia on the corruption scale (Transparency International, 2021). Furthermore, amending the political roller-coaster and changes in national opinion due to a dysfunctional three-member presidency is long overdue.

The second of the criteria which must be fulfilled is regarding the economy thus a functioning market economy and the ability to cope with competitive pressure and market forces within the EU is a requirement. The economic aspect of the Copenhagen Criteria with an effective economy is also reliant on a functioning political situation. B&H's economy is focused on the production and sales of natural resources such as timber yet the use of unsophisticated technology would make it almost impossible to compete in the European Single Market (Velić, 2018). Furthermore, the unemployment rate is improving yet is still a significant problem. It fell from 25.4% in 2016 to 17% in 2020 (Statista, 2021). Greater development regarding employment and the labour market is necessary in order to minimise poverty, which is most commonly the result of unemployment and a weak economy. Despite the fact that new labour laws had been put into place which were focused on young workers and first employments, the level of unemployment remains high. Since there is no expectation of increase in wages due to high unemployment levels and lack of job opportunities, poverty levels will be slow to decline in the following years (European Commission,

2018). Furthermore, the manner in which the government is organized by the Constitution unreasonable and expensive. The various levels of government for different entities, cantons and municipalities means that about one third of budgets at all levels of government are spent on salaries and administration costs. This is not only irrational but economically unsustainable.

The third set is regarding legal matters such as the ability to take on the obligations of membership, including the capacity to effectively implement the rules, standards and policies that make up the body of EU law (the 'acquis'), and adherence to the aims of political, economic and monetary union. We cannot consider this step until we complete the first and second set of Criteria, which will presumably take quite some time to complete. Its needless to say that completing stated criteria would result in a Bosnia and Herzegovina becoming a substantially upgraded and well-developed state.

Bosnia and Herzegovina has made little progress, just a few advancements were made in regards to the Copenhagen criteria. Sarajevo held its first LGBTI Pride Parade and the death penalty was revoked by the Constitutional Court in Republika Srpska, which are positive examples regarding fundamental rights. There was some economic growth, the number of loans increased and the unemployment level dropped and the financial sector stayed steady. (European Commission, 2020f)

3.2 Bosnia and Herzegovina on the Path to EU

The important initial step of Bosnia and Herzegovina towards becoming a full member state was made in 1999 when the EU proposed a new stabilization and association agreement for Western Balkan countries including Bosnia and Herzegovina. “During the Thessaloniki Summit in 2003, along with other Western Balkan states, Bosnia and Herzegovina was identified as a potential candidate for the EU membership. Fulfilled with optimism, in 2005 Stabilisation and Association Agreement (SAA) negotiations were officially launched in Sarajevo.” (Velebit, 2018). In November 2003, European Commission produced the Feasibility Study in which it assessed capacity of Bosnia and Herzegovina to fulfil obligations outlined in SAA. It outlined 16 priorities in which B&H has to make progress in order to start negotiations. These 16 priorities, according to the European Commission (2020e) were:

- fulfil current conditionality and international obligations;
- more effective governance;
- more effective public administration;
- European integration;
- efficient human rights requirements;

- effective judiciary;
- combatting crime, especially organised crime;
- handling asylum and migration;
- customs and taxation reform;
- economical legislation;
- budget practice;
- trustworthy statistics;
- reliable trade policy;
- cohesive energy market;
- improve the B&H single economic space;
- public broadcasting.

In October 2005, the European Commission made a decision that Bosnia and Herzegovina made sufficient progress in the area of implementation of the obligations pointed out in the Feasibility Study of European Commission and recommends the start of the Stabilization and Association Agreement. In 2005 SAA negotiations were officially launched in Sarajevo, although the Agreement could not be initialled because of the lack of progress in key reforms. In December 2007, the SAA was initialled. The signing obliges Bosnia and Herzegovina to warrant that current as well as future laws will be adjusted to correspond to EU laws and will be executed.

The Stabilization and Association Agreement focuses on applying and carrying out EU norms in regards to:

- respect for rule of law and international law;
- developing a market economy;
- developing regional collaboration;
- promoting integration of B&H into the community of democratic nations;
- respect for democratic principles, human rights and freedom of media;
- stimulating the free movement of goods;
- improving the quality of life of citizens;
- increasing economic growth and competitiveness;
- creating efficient institutions;
- decreasing crime and corruption;
- endorsing improved education and formation of jobs;
- improving the region's energy and transport infrastructure.

In January 2008, visa facilitation and readmission agreements were agreed on, which provided holders of biometric traveling documents free travel in Schengen zone with certain limitations and

it was enacted in 2010. In 2015, the SAA between EU and B&H enters in full force. It was one of the most important moments in modern history of Bosnia and Herzegovina when on 15th February 2016 Bosnia and Herzegovina submitted application for EU membership. In December 2016, the Questionnaire of the European Commission was handed to Bosnia and Herzegovina and in February of 2017, Bosnia and Herzegovina handed in responses to the European Commission. In June 2018, the European Commission sent 600 follow up questions that are needed for further clarification of already delivered answers to which B&H responded in February of 2019. In May, 2019, the Commission issues its Opinion on B&H's EU membership application, which was then endorsed by the EU Council in December of that same year (Press Corner - European Commission, 2019). This Opinion needs to be used as a strict guideline in order to finally achieve EU status.

3.2.1 Reasons for Bosnia and Herzegovina's Endeavour for the EU Membership

Bosnia and Herzegovina's relationship with the European Union was present from the very beginning with its declaration of independence in 1992, when the EU acknowledged B&H as a sovereign and independent state. From that moment on, the EU has closely tracked B&H's stability as well as political and economic situation, working as an ally and providing both financial and legal assistance. Thus it comes as no surprise that Bosnia and Herzegovina has made it a goal to work on becoming an official EU member, along with all the other West Balkan nations.

The European Union played an important role in ending the war in Bosnia and Herzegovina by participating in the establishment of the Dayton Agreement and foundation of B&H's constitution in 1995. With this act, the EU, in a sense, obligated itself to ensure B&H's progress and peace and this security gave reason for Bosnia and Herzegovina to follow their guidelines. As of 1997, the Council of Ministers of the European Union sets the political and economic conditions for the development of bilateral relations and Bosnia and Herzegovina is able to benefit from autonomous trade preferences.

Since its independence B&H has focused on following the EU's various stability and progression guidelines and the EU has been a great supporter in assisting Bosnia and Herzegovina's progress. In 1998, an EU/B&H Consultative Task Force (CTF) was established, aimed at providing technical and technical assistance in the areas of administration, regulatory framework and policy, followed by The Stability Pact based on the European Union's initiative in 1999 to strengthen peace, democracy, human rights and economy in the countries of South Eastern Europe.

Bosnia and Herzegovina was further able to benefit from EU support in 1999 as well, with the EU CARDS programme, short for Community Assistance for Reconstruction, Development and Stabilisation which provided financial assistance for development. This, again, showed Bosnia and

Herzegovina the benefits of the European Union and how beneficial it would be to become a member of such an efficient union. In 2004, the European Union accepted the European Partnership in B&H, which was followed by the start of SAA negotiations in 2005 (Hadžiahmetović, 2011).

Thus, it is evident that the motives for Bosnia and Herzegovina's endeavor were simply the logical sequence of events due to the European Union's strong role in revitalizing Bosnia and Herzegovina after the war and providing it with the basic assistance and guidelines to follow. Furthermore, the fact that all of the neighboring former Yugoslav countries were also on this path made this decision even more reasonable. Had B&H chosen not to take the EU's lead, it would have been difficult to enforce peace and stability, both politically and economically. In addition to providing much support, the possibility of attaining EU membership gave B&H something to work for in order to progress and not be 'left-behind'. Additionally, Slovenia becoming an EU member state in 2004 showed B&H that accession was attainable and advantageous.

3.2.2 Reform Agenda as Necessary Step

The phrase 'Reform Agenda' has been constantly tossed around by politicians in Bosnia and Herzegovina since it has become a pre-condition for EU accession. The main goal is to develop a better economy as well as social protection system. The Reform Agenda 2015-2018, adopted in 2014, includes thorough work plans with comprehensive steps and target dates for implementations of each measure. Even though the EU at first had a stance that Bosnia and Herzegovina must meet all of the measures in order to gain candidacy and become a member, it was a year later stated that it is expected from B&H to have meaningful progress. It shows the inconsistency in policies by the European Union, but it also shows willingness of the EU to have the region integrated in the EU. This process is created in order to establish a stable market, growing economy, stop the corruption, foster labour market, attract investments and to benefit the society in whole (Markuš, 2017).

The role of the Reform Agenda can be seen from words of European Union Special Representative and Head of the Delegation of the European Union, Ambassador Lars-Gunnar Wigemark. "Everyone supporting the Reform Agenda agrees that it is time to move beyond the rhetoric of reform and get to work. With each year passing, Bosnia and Herzegovina is falling further behind its neighbours in terms of the business environment and other policies necessary to encourage investment and create new jobs. There is an opportunity now to reform the business environment and make tax systems and public finances sustainable. The size and role of the government sector must be reduced." (European Western Balkans, 2015).

There is one hidden point in this quote, which is that Bosnia and Herzegovina does not benefit just from entering the EU, it benefits from the sole process of accession to EU. According to Lars-Gunnar Wigemark, B&H has the lowest GDP in all of Europe, as well as one of the highest unemployment rates thus its high time to focus on overall youth unemployment, making it possible for all youth to attain a decent job, not just those who are ‘well-connected’, even educational reform is necessary for this to be achieved. The Head of the Delegation of the European Union further mentions public administration reform being more than necessary since it affects to amount of taxes needed to be paid by the general public, wages in the public administration are too high compared to the country’s standards, and most of all there are too many people employed unnecessarily. These changes will in turn invite investors to feel more comfortable with creating new projects which comes full circle with more job opportunities etc. The necessary steps in accession path could eventually lead to more efficient government and could improve the life standard in Bosnia and Herzegovina (European Western Balkans, 2015).

Now, what does the Reform Agenda actually ask from Bosnia and Herzegovina? The Reform Agenda has 17 points that are to be fulfilled in order to achieve stable market and economy. The first point addresses the government and urges the governmental bodies to enhance efficiency, fight the corruption in all levels of government. In the second point, it emphasises the role of all levels of government in implementation of agenda in order to adjust the country’s setting to the EU setting. The third point explains the way the Reform Agenda was developed, as it was developed through a series of consultations and discussions with different stakeholders, such as the EU, Government, NGOs, investors and etc. It also points out that every branch and level of government will have its priority but their priorities will be complementary with the overall purpose of the Reform Agenda. The fourth point expresses the alignment of the Reform Agenda with the EU approach to economic governance to boost growth and competitiveness. The fifth point states that the Reform Agenda will start immediately and will have the scheduled timeline in which it must be implemented. Point six and point seven are addressing the state of public finances, budget deficit and public debt, which are to be tackled by the Agenda, with point seven addressing macroeconomic environment that is to be reconstructed by the Agenda. After the first seven points, Agenda outlines six areas of importance, which are:

- Public Finance, Taxation and Fiscal Sustainability

Budgets will be set on a fixed financial basis which will have been agreed with the IMF. This novel financial outline should reduce the public debt while making more room for further investments and downsizing in the economic sector of the government. In order to have financial alliance, there needs to be a reduction in spending while enlarging public revenues. This will only be achieved by reducing tax exemptions or expanding the income from tax consumption. If the debt is not

decreased by 2015, other measures would be taken such as increasing VAT after discussions with IMF (European Union, 2014).

- The Business Climate and Competitiveness

There needs to be some form of investment for a business to grow and flourish also it is vital to increase competitiveness by removing any barriers that may deter investment. In order to have any investors, hidden subsidies, other assistance to enterprises, advancing bankruptcy process, and forming a resolution to useless enterprises needs to cease. In addition, there are discrepancies and complications to the outline and the tax system which can cause potential problems to possible investors in economy.

- The Labour Market

Bosnia and Herzegovina needs to welcome its tactful benefits as to continue on the road to maintainable progress. One benefit is the workforce which is not used to its potential. The unbalanced supply and demand for skilled labour results in high unemployment rate and a low rate for working age population. These unemployed individuals are not encouraged to get into the workforce. Furthermore, the present-day labour laws do not echo the current state of B&H and some of the provisions are unclear and rigid for the new economy.

- Social Welfare and Pension Reform

A well-rounded society must be aware of those who are in need of help and incapable of caring for themselves, however welfare systems must be financially sustainable. To achieve this, it is necessary to come up with more efficient yet maintainable social protection policies. Furthermore, revising of the pension system is necessary to make it more sustainable and fulfil workers' rights.

- Rule of Law and Good Governance

Proper rule of law is the foundation of success for any nation. This results in a safe, ethical and moral society. Governments on all levels might put additional effort to fight organised crime and corruption which will cause citizens' faith in the law institutions to be restored and an overall more content society.

- Public Administration Reform

It is vital to have public administration reform as to guarantee financial support and for its citizens to have quality public service. Its reform needs to be performed in connection with in the socio-economic system and rule-of-law.

After these important aspects, the Reform Agenda 2015-2018 further explains in the document, with a number of detailed descriptions how each of these goals will be achieved, it then continues with closing points. Point fourteen states that all of the actions will be done in consultation with the EU. The next point reiterates that Bosnia and Herzegovina will have full support of the EU in implementation of the Reform Agenda. Point sixteen states that regular meetings will be conducted in order to properly fulfil the requirements outlined in the Reform Agenda. And the last point, which actually shows the state of politics in B&H, forbid blockade of any of the requirements in Reform Agenda or related to it, by any level of the government. The Reform Agenda could benefit the country in many ways. It is a perfect example of willingness of EU to commit in helping Bosnia and Herzegovina in becoming a member of European Union (European Union, 2014).

Although the Reform Agenda published in 2014 provides tasks and guidelines which need to be corrected in the period of 2015 to 2018, unfortunately Bosnia and Herzegovina was unable to completely nor successfully fulfill these expectations. Two years after receiving the Reform Agenda, the EU once again tried to lessen the criteria for B&H by forwarding its membership application to the European Commission to prepare an Opinion, delivered in May 2019, despite lack of progress with the Reform Agenda. The Opinion again circles back to most of the Agenda's steps, thus B&H must put more effort into implementing them (Ivković, 2018).

3.3 Public opinion of Citizens on EU Entry

When it comes to the general thoughts of citizens of Bosnia and Herzegovina on accession and membership to EU, it has been affected by the long lasting process that has been in place for fifteen years. Now, we will look into public opinion researches and polls conducted by relevant governmental and international bodies and agencies. Citizens of Bosnia and Herzegovina are generally in favour of Bosnia and Herzegovina entering the European Union.

In 2012, the Foreign Policy Initiative in B&H surveyed the citizens of B&H to examine the attitude towards EU accession. As a result, the most common opinions were that the EU could solve the main issues within the country such as general improvement of living standards, overall political strain, and guaranteeing safety and peace amongst all nations. The research showed that most of the survey respondents felt a strong ethnic identity, nevertheless, also held great sense of European identity. The political and the economic aspects are the two fundamental issues with respect to the promotion of B&H to the EU. The main concerns politically are whether or not the EU accession

would solve long-lasting internal political issues, as well as why are there still to this day political disputes which are blocking the nation's path to the EU and general improvement. Financially speaking, the focus of debate is on the EU's market economy impact on B&H. Croatia becoming a member sparked public controversy with opinions that politicians not making enough effort to execute the structural reforms that could bring the country closer to the EU. Regional neighbours seem to be committed to meeting EU expectations, but their level of collaboration is, as stated by the research by the Foreign Policy Initiative, increasingly explained by western style pragmatism (Turčilo, 2013).

In last few years there were no major oscillations in regards to public opinion. Directorate for European Integration Public Opinion Research of 2016 was conducted on the sample of 1200 respondents.

In 2016, 76% of people from Bosnia and Herzegovina supported membership in EU. 91% from Federation of Bosnia and Herzegovina, 90% from Brčko District, and only 51% from Republika Srpska. Among the most interesting topics in regards to membership are financial aid, reforms during the process of accession, advantages of integration and obligations of Bosnia and Herzegovina during the process. Key reforms were needed for better standard of living and to fight against corruption for 46.6% respondents, 11.6% stated employment issues and 10% answered that it was judicial reform. The most informative media sources about EU integration were TV and the Internet. When asked about what the most difficult aspect of attempting EU status was, 27.8% of respondents stated that politics were slowing down the progress, 12.7% named EU conditions towards B&H and 12.2% stated that society is not ready for a change (Directorate for European Integration, 2016).

In 2017, 69.2% of people from Bosnia and Herzegovina is supported EU membership, of which 76.6% from the Federation of Bosnia and Herzegovina, 64.3% from Brčko District, 56.4% from Republika Srpska. General belief is that B&H will improve its economic stature and improve living standard, while those against accession stated that they are afraid that the life will be more expensive. The most important reforms according to respondents are the fight against corruption 33.7%, public governance reform 22.3% and 10.3% stated it is the adjusting education system to labour market. The biggest advantage from integration would be for students and researches according to 5.8%, politicians 19.6% and youth 51.6% (Directorate for European Integration, 2017).

In 2018, there was a drop in support with 56.5% of surveyed people from Bosnia and Herzegovina supported EU membership. 70.6% from Federation of Bosnia and Herzegovina, 75.4% from Brčko District, Republika Srpska with the most dramatic drop in support with 30.3% positively

responding to EU accession. 44.4% believed that B&H would enter European Union in next 15 years. The most interesting topics were how EU integrations affect everyday life with 32.2% of interest, advantages of EU integrations 24.3%, the possibility of using EU funds 16.9% and reforms in integration process 16.2%. 36.2 percent of those surveyed believe that politics are slowing down the process of integration while 22 percent think inability to change is the main reason (Directorate for European Integration, 2018).

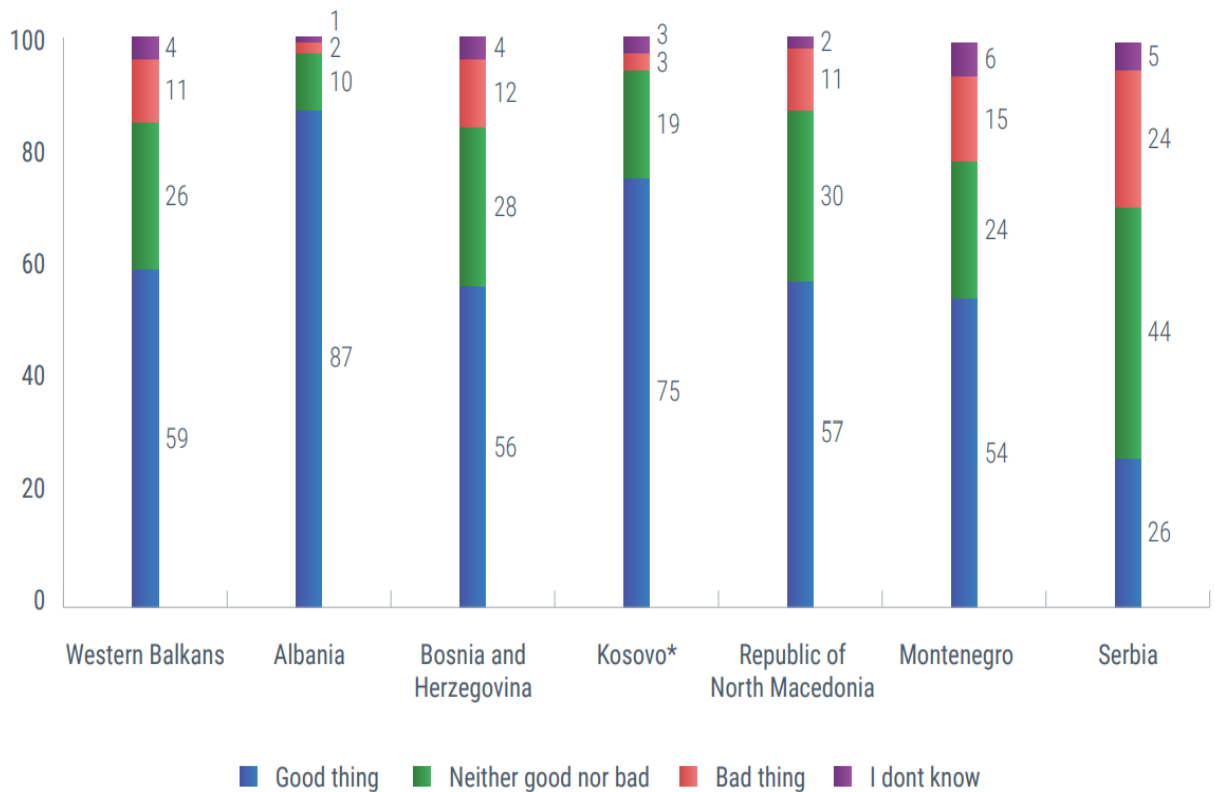
In 2019, there was a positive increase in the number of people supporting B&H membership to the EU with 76.5%, the highest yet. Of that number, 86.5% was from the Federation of Bosnia and Herzegovina, 69% from Brčko District, 58.9% from Republic of Srpska, almost twice the support compared to the previous year. As far as reasons for supporting EU membership, 33% were interested in the guarantee of peace and political stability and 28% of those surveyed wished for freedom of movement of people, clothing and capital. Another interesting opinion the respondents had was that about only half thought the EU will strengthen internal relations and continue enlargement, whilst 16% felt that the EU integration will not survive in the future (Directorate for European Integration, 2019).

Additional, more recent research, was provided by the RCC (Regional Cooperation Center) which released 2020 data derived from public opinion polls about EU integration from South East Europe. This research, known as Balkan Barometer, is a public opinion survey done annually which focuses on collecting and analysing data on various thematic areas and subjects. The Balkan Barometer conveys the opinions of society whilst analysing their attitude towards the current circumstances and forthcoming expectations (Regional Cooperation Council, 2020).

The first data from the 2020 survey we will focus on is the question, “Do you think that EU membership would be a good thing, a bad thing, or neither good nor bad for your economy?”. This can show basic, average thoughts of the citizens of Western Balkans countries towards the European Union and membership to it in general.

Figure 1: Balkan nations opinions on EU Accession – a good or bad thing?

(All respondents – N=6020, share of total, %)



Source: Regional Cooperation Council, 2020

According to the data in Figure 1, we can see that 56% respondents from Bosnia and Herzegovina believe that EU membership is a good thing. And only on 12% think EU accession would be a bad thing. This result is similar in almost all the Western Balkan countries, except for in Serbia. The majority of the respondents said EU membership is neither good nor bad, and almost the same percentage of Serbian citizens surveyed said it is a good thing (about one quarter) as those that felt that EU membership is a bad thing (Regional Cooperation Council, 2020).

The statistics which can be found in Figure 2 focus on expected accession to the EU. According to the data in Figure 2, for the question: “In general, when do you expect the accession to EU to happen?” Bosnia and Herzegovina and Serbia is among the least optimistic, with 1/3 of those surveyed said never, and only 17% thought that Bosnia and Herzegovina could achieve EU Member status by the year 2025. The only more pessimistic results come from Serbia’s citizens where almost half said Never, and only 11% thought that Serbia could become an EU member by 2025.

Figure 2: Balkan public opinion on EU Accession Expectancy date

(All respondents – N=6020, share of total, %)



Source: Regional Cooperation Council, 2020

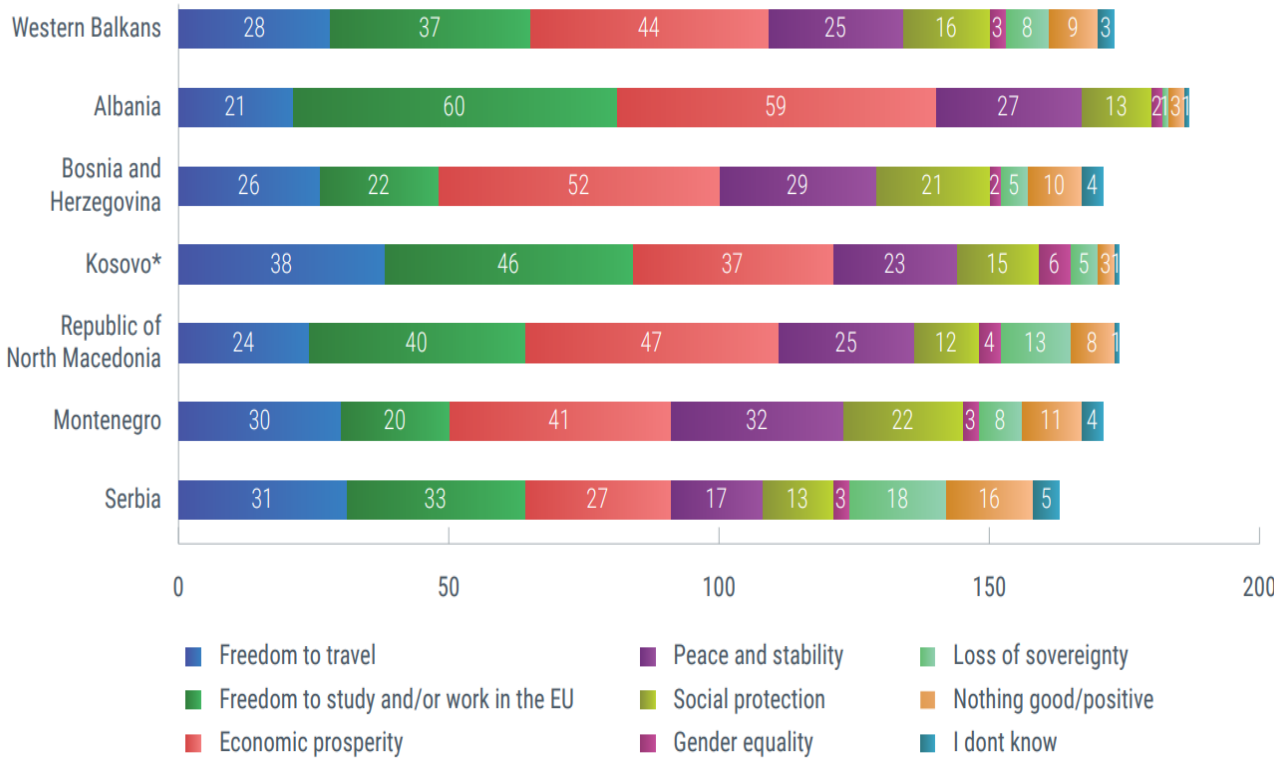
Montenegro is the most optimistic, with 45% responding that they expect accession by 2025, and rightfully so, since they have made much progress in general. Kosovo has an interesting result worth mentioning. 38% of those surveyed believed Kosovo will become an EU Member state by 2025, however it is not even fully accepted as a country, much less a candidate country. The chance of accession within the next four years is highly unlikely, yet it shows their hope and desire to join the EU. The fact that one third of Bosnians believe that B&H will never enter the EU shows that B&H's citizens are don't have much hope that the country will ever be a successful and well-organised nation in general (Regional Cooperation Council, 2020).

When it comes to reasons why B&H citizens are for, or against entry to European Union, we will see it from the public opinion polls of abovementioned respective organizations. Generally, Bosnia and Herzegovina citizens are inclined to the idea of becoming member of European Union. In 2020, 52 percent believed that economic prosperity is something that people will gain in case of becoming a member of the EU. Also, almost a quarter (22%) of those surveyed in B&H were interested in the freedom to study and or work in the EU. This could be worrisome in the case that 22% of our

population were to decide to go live and work in another country upon becoming an EU Member state, where would that leave Bosnia?

Figure 3: Public Opinion on personal significance of EU membership

(All respondents - N=6020, first two answers, %)



Source: Regional Cooperation Council, 2020

According to the data in Figure 3, when it comes to RCC public opinion poll, we can speak about what are the reasons of citizens of the Western Balkans in general are interested in EU accession, and the results are similar amongst all the nations questioned. The most popular response, with an average of 44% was Economic prosperity. Based on this result, the Western Balkans are depending on the EU accession to help them improve the economic and political situation. The least popular response was gender equality, on average on 3% of the responses for importance in the Western Balkans. This could mean it isn't a priority compared to other necessities, or it could mean that woman do not have a problem in the Western Balkans as far as rights and opportunities are concerned when compared to men (Regional Cooperation Council, 2020).

3.4 SWOT analysis of the EU membership for B&H

From this perspective, it's quite difficult to predict anything when it comes to accession of Bosnia and Herzegovina because of a few reasons. First of all, Bosnia and Herzegovina is not even a candidate for accession yet, and has yet to start with opening chapters for accession and presumably will not in the next 5 years. Having in mind the political situation in Bosnia and Herzegovina and lack of political will and cohesion, even 10 years would be an ambitious prediction. In case Bosnia and Herzegovina becomes a member in 10 years, the question is what would be the state of European Union in that time. If we assume that the situation would be the same in the EU and Bosnia and Herzegovina becomes a member, things could start getting better. The reason being that Bosnia and Herzegovina would enact laws, adjust policies, create a more stable economic environment which could be used to reach full potential in using resources that Bosnia and Herzegovina has. That would create more jobs with improvements in labour rights. It would also open the market for competition that would force businesses to adjust the quality and prices of their products and services. In that situation, hypothetically, it could lower the scale of brain drain. As Bosnia and Herzegovina would gain full membership to Schengen area it would relativise the importance of borders which would relax the relations among neighbouring countries. That would be an ideal scenario (World Bank, 2019).

By thinking more realistically, even if B&H's overall state and economy continues to grow at the current pace, with more political will and accountability, that would be improvement compared to the current situation. Of those things that are sure, Bosnia and Herzegovina would have positive results of becoming member, as it has already seen improvements in past few years. Adjusting legislation would help to improve legal framework that is ineffective and in some cases illogical. Bosnia and Herzegovina already received more than 3.5 billion Euros through EU funds, so usage of the EU funds would continue in efforts to improve the overall state of the country. Even though B&H would have obligations to European Union, membership in NATO would also be imminent in that case, which would again provide peace and stability for Bosnia and Herzegovina in the region (Komljenović & Komljenović, 2013).

SWOT analysis is most commonly used in business, however I found it appropriate in considering Bosnia and Herzegovina's accession to the European Union since it identifies the Strengths, Weaknesses, Opportunities and Threats related to a specific situation. While the "strengths" and "weaknesses" mainly highlight internal issues and past experience, the breakdown of "opportunities" and "threats" is forward- and outward-looking. These are all important factors to consider when weighing the possible success or failures involved with Bosnia and Herzegovina becoming an EU member state.

3.4.1 Strengths

The European Union was started, in the beginning, with the purpose of establishing a strong economy and allowing countries to trade without barriers. Still, one of the biggest advantages of the EU is the free movement of goods and services. This essentially means that the market is without the tariff and non-tariff barriers and it is easier to trade goods and services between countries. This concept is genuinely fruitful as it creates on strong market, which is far more influential in the world economy than the countries individually were. It provides better import and export opportunities and possibilities which eventually create a stronger economy that benefits the countries in the EU. At the beginning, the stability of Europe was crucial, as European countries had a long history of wars, so one of the essential advantages is the stability of the continent, which is also supported by the fact that number of countries of EU are also members of NATO. Also the foreign policy is a major stake when it comes to the pros of EU as countries have more influence as a Union rather than by themselves. The currency in most of the EU countries is the Euro, which makes it easier to trade and travel that also reflects on the stability of the Euro. Furthermore, the job market is vaster for people as the economic space is much larger (although some may consider this to be a disadvantage). It is quite important for countries that are members and those who are candidates for membership to use funds that are provided by EU for improving the economy and overall state of the countries, either members or candidates (European Commission, 2014).

Bosnia and Herzegovina has applied for membership in EU and it's highly unlikely that it will become a member in next few years. Although the process has been exhaustingly long, citizens remain confident that it is the best option and possibility for B&H. We have already touched upon this question, but in this section, we will be considering in detail what the advantages of membership to EU for Bosnia and Herzegovina are and in next section what are the disadvantages. First of all, we have broad political and legal benefits (Kosić, 2018).

- The European Union was a method of reconciliation of Europe after WWI and WWII and exposed division among European countries. In 2012, EU received Nobel Peace Prize for promoting peace and co-operation. The advantage for B&H and other Western Balkan countries rests in, as it would potentially help the wounds to heal and allow the shift from history to future.
- The European Union is committed to human rights and preventing discrimination, which would help Bosnia and Herzegovina resolve the issues with discrimination that are even incorporated in Constitution such as in the Case of Sejdić-Finci. As a result, a new Constitution would have to be written up, with even the possibility of having only one B&H president, not three. Additionally, revisions to the organisation of government could be made which would result in the decrease of administration and costs.

- The possibility of modernization in regards to human rights legal frameworks that are inadequate at the moment.
- Adjustment of inadequate legal framework to those of EU which would create a more stable political and economic situation.

Another set of strengths for Bosnia and Herzegovina which are very much needed are in line with the economic prosperity and benefits (Pettinger, 2016):

- EU is one of strongest economic areas in the world. With 445 million people, it has 7.3% of the world's population but accounts for 23% of nominal global GDP.
- Benefits for consumers as Europe has tariff free market which would allow reduced costs for Bosnia and Herzegovina. The trade within EU has increased for 30% since 1992. Companies from Bosnia and Herzegovina would be able to place their products and services in the EU market at a lower price and be more competitive since they would not have to pay the additional tariffs that they do now.
- No customs barriers which would reduce the bureaucracy.
- Poorer countries showed great progress and economic improvement since joining European Union, which would benefit the weak economy of Bosnia and Herzegovina.
- Social cohesion fund which had seen more than 6 billion Euros investments in certain countries and their education or infrastructure.
- The EU has engrossed higher inward investment from outside the Union, growing from €23 billion in 1992 to €159 billion in 2005.

The following strengths are in regards to free movement of people and job opportunities:

- Youth have the opportunity to study at a university in another EU member state, which the vast majority of EU citizens consider to be a positive thing. As an EU member state, B&H's youth would also be able to take advantage of this opportunity and gain additional knowledge and experience from possibly some of the best universities in Europe at the same price as the citizens who live there. Currently, this is not the case. Also, students would be able to study fields which are currently unavailable in B&H, such as aviation for example, therefore we do not have many pilots in our country nor a Bosnian airline which is 100% our ownership.
- The economy is more elastic due to free movement of capital and labour.
- People are able to freely decide where they chose to live, work and retire anywhere within the EU without boundaries.
- Worker protection laws are significant and focus on key factors such as the maximum hours per week and fair pay.
- Qualifications and certificates are mutually accepted throughout all member states, which simplifies the job search process and the worker pool for companies.

- Travel within the European Union is simplified, no losing time at border crossings or special papers needed for proof of stay. Additionally, the European Union members have visa- free access to many other nations worldwide. This opportunity makes travelling simpler especially since Bosnians need a visa to travel to most destinations outside of the EU which is both costly and time-consuming.

Beside these, we can also speak about consumer benefits of the EU:

- The EU competition policy focuses on avoiding monopoly abuse and dominant market powers in order to protect the interest of the consumer.
- The EU has reduced the price of making mobile phone calls abroad and even made an arrangement with cell phone producers to make a standard phone charger with the intention of simplifying life for customers and decreasing waste. As of 2014, mobile roaming with the EU is free, which reduced consumers' costs considerably.
- Consumers can shop tariff-free in any EU country.

The European Union consists of different countries, but acts as a unity, without borders in the administrative sense and with freedom of movement. Relativization of borders could ease the situation between countries that were involved the war. Additional, more specific advantages of the EU accession for Bosnia and Herzegovina are stability in the same sense, as potential crisis is not something that would be acceptable within the EU. It would stabilise the condition of Bosnia and Herzegovina regarding rhetoric, hate speech and all potential triggers that could lead to conflicts. Another good thing for Bosnia and Herzegovina is the harmonization of laws. Bosnia and Herzegovina has many areas poorly regulated by laws. The story behind it can be found in the constitutional framework which is ineffective and misbalanced, with a high level of centralization but also a high level of decentralization, which makes it difficult to put laws into practice. It is sometimes even harder to adopt and enact laws, because of the veto principle in legislative bodies that allows for the creation of infinite deadlocks. Harmonization of laws would benefit B&H since many laws were not even adjusted to Bosnia and Herzegovina as a country, rather they were transferred completely from SFRY (European Commission, 2019).

Another strength of EU membership is evident through the accession period, where EU invested more than 3 billion Euros in Bosnia and Herzegovina, from reconstruction to agriculture. Representation in EU bodies is also one of the benefits that Bosnia and Herzegovina is looking for. Financial aid 63 billion Euros Cohesion Fund that will be available for the country after the accession is also a reason. Nevertheless, sustainable and stable economy with steady growth is what Bosnia and Herzegovina aims at. The EU market with 455 million consumers will be open for competition that would allow B&H to use resources more efficiently. Employment possibilities would be much higher as it would open the job market for B&H nationals. Although there is the

risk of B&H citizens emigrating to live and work in the EU forever, free movement could offer citizens a chance to work and gain knowledge and experience abroad, after which they could return to B&H and invest in forming companies here or provide gained knowledge to BH companies. Stricter policies and supervision of public tenders would lower the corruption rates and citizens would be more content knowing that they have equal opportunity for employment. (European Commission, 2019). Furthermore, free travel within the EU would attract more citizens of other countries to visit Bosnia and Herzegovina, thus improving B&H's domestic tourism.

These are all potential advantages for citizens of the EU and Bosnia and Herzegovina if we were able to achieve EU membership. It is important that majority of citizens sees the membership to EU as positive thing and as possibility of enhancement of economy and development of country, to be able to live in a safe, fair and progressive society where everyone has equal opportunity to study, work, travel and live however they decided. This is possible in the European Union.

3.4.2 Weaknesses

In addition to several strengths of the EU for the member states, there are certain weaknesses of joining the EU as well. The common denominator to the drawbacks is the loss of sovereignty in certain areas. As with every other thing in the world, EU has advantages and disadvantages, but the main point is whether it brings more benefits or more costs. Moreover, the EU has been facing several challenges nowadays. For example, the influence of the EU in the world could minimise the influence of some countries. Even the free movement concept is nowadays questionable due to the migrant crisis and terrorist attacks. The one thing that it is highly important for this segment is the fee that is paid by countries for the EU, which is quite large. Even though the EU is seen as a Union and that presumes equality among members, this is often not the case. Smaller countries do not make decisions in many cases and it is also much easier for greater economies within the Union to capitalise on certain trade deals. Another downside is that EU bureaucracy can be very slow and inefficient. There is also an issue with the lack of consistency with values and principles that are asked from candidates and the values of members, where, for example, EU asks for high level of democratizations of candidate countries, while the EU is struggling with the Hungarian government and the radical stance and actions of government officials.

The current situation in European Union is not at its best, with Brexit happening, with the migrant crisis, different stance of members on the migrant crisis and the rise of nationalism and populism across Europe. Other issues include constant terrorism threats, global shift in powers, with inconsistent politics of USA, rise of China economy and political changes in China, Russia's interference in Ukraine and alleged interference in USA elections along with accusations of assassination of former Russian spy in UK. In event of accession of Western Balkans countries in

EU, it could potentially lead to greater instability of the EU and automatically instability of region. Another potential issue could be inability of B&H to comply with the regulations of EU which could cause inadequate transition of Bosnia and Herzegovina in EU framework that could affect the stability of the country and cause economic crisis.

One weakness that we have already witnessed is that the accession procedure has taken so long and it exposed all of the incompetence of government in answering the issues presented by EU. In stable countries, that could be shifted into advantage, but in Bosnia and Herzegovina it has only gone deeper. In the sense of disadvantages, we could speak about the costs of entering European Union such as standardisation and transition costs, or the charge of the shared agricultural policy. Underdeveloped nations face many difficulties as EU member states. Although there are numerous positive aspects of the Union regarding overall development, new members are faced with different hurdles mainly associated reaching EU standards and increased competition in the EU. The various costs for implementing new standards a quite high for lesser developed nations.

Some of the costs as a result of EU membership are (Komljenović & Komljenović, 2013):

- the expenses of norms and standards implementation;
- expenses for refining laws;
- costs for new banknotes;
- local companies and firms possibly losing market-share;
- expenses regarding modernising factories to fit eco-standards.

These are the weaknesses that could struck Bosnia and Herzegovina in case of accession to European Union. Now, these are general and possible, but in the end, the most important and decisive thing is how Bosnia and Herzegovina is going to act when becomes a member of European Union. If the structured and comprehensive plan of action is made, then Bosnia and Herzegovina can take many advantages from entering the European Union. But, as the things stand, with current political situation and lack of political will, it is highly unlikely.

3.4.3 Opportunities

It's no secret that EU accession for Bosnia and Herzegovina would open the doors to various opportunities for the nation and its citizens. Through the above-mentioned strengths of the EU, we are able to conclude how those EU strengths can be used as opportunities for further progress and national success. One of the main opportunities Bosnia and Herzegovina could utilise are EU funds for creating more job opportunities its citizens.

Along with EU funds, investors would be more likely to invest in B&H as a member of the EU due to lack of tariffs for sales of production as well as EU member states being a more secure investment which too would result in more job prospects. Furthermore, since the standard of living in Bosnia and Herzegovina is lower than that of other EU nations, companies would be able to outsource production and services to Bosnia and Herzegovina for a lower rate, which provides B&H citizens again more chances for employment, but also with more opportunities citizens are able to ask for higher wages and benefits for work.

Many Bosnians see the EU as a chance for students to study abroad, however Bosnian schools and universities could take advantage of the borderless union and offer high-quality education for a lower price than in other large European cities, resulting in more students living, studying and spending in B&H. As an EU member state, we'd also have the possibility of improving the sustainability of the pension system, health care system and social protection system by following EU regulations. The same would correspond in improvement in all aspects of the business environment, especially in the areas of business start-ups, building permits, electricity generation, tax payments, contract enforcement and investor protection just by copying an already efficient plan (Kmezić, 2015).

These are just several of the countless opportunities and doors that could be opened for Bosnia and Herzegovina as an official EU Member state, however in order for one to utilise an opportunity, effort must be put forward as well as taking risks since not all opportunities are always successful. However, considering how prompt B&H leaders have been to take the necessary steps for EU accession, one cannot have too high of expectations that all these prospects would be made use of.

3.4.4 Threats

Along with the strengths and opportunities Bosnia and Herzegovina could prosper from as a possible EU Member State, being aware of the weaknesses and threats involved is necessary to fully comprehend whether following the EU accession path is indeed the best decision for B&H. In addition to the various mentioned weaknesses and disadvantages of the EU, there is a possibility that entry could take a turn for the worse and that Bosnia and Herzegovina ends up being in an even worse position than it is now.

One of the biggest threats is failure to actually reduce unemployment, especially among young people, instead having B&H youth leave for better job opportunities abroad. This is already an issue today with thousands of Bosnians each year permanently moving to Germany, Croatia, and Austria to seek better jobs and standards of life (Boračić-Mršo, 2019). Who can guarantee that this number will not double, or even triple once it becomes easy for everyone to seek a job anywhere

in Europe for a higher salary than that being offered in B&H? (Begović, Lazović- Pita, Pijalović & Baskot, 2019).

Furthermore, a threat would be lack of EU funds being used properly and being unable to pay back loans taken out by political leaders, thus causing a rise in taxes for the citizens to make up for others' mistakes or even a complete financial crisis, covering one debt by taking out another loan with higher interest rates resulting in a complete bankruptcy. This is something which isn't unfortunately uncommon in B&H (Kmezić, 2015).

The final significant threat to Bosnia and Herzegovina officially joining the EU is the possibility of the Europe Union falling apart completely. If other nations decide that they are dissatisfied with being an EU member state as was the case with Great Britain, they too could potentially withdraw their status, which could result in the EU no longer existing. This of course for the time being is highly unlikely, but any extreme economic or security change in the world could potentially result in the breakdown of the EU (Taylor, 2019).

Several more threats to consider are:

- the threat of skilled workers moving to other EU nations;
- the issue of crime due to migration growing;
- the chance of a rise in unemployment levels;
- the threat of unskilled immigration moving from neighbouring countries in search of job opportunities in an EU country.

However valid these threats may be, many would conclude that the strengths, advantages and opportunities of the EU far outweigh the possible risks and disadvantages to Bosnia and Herzegovina's accession.

Table 2: SWOT Analysis for Bosnia and Herzegovina's EU Accession

THE SWOT ANALYSIS	
Internal Environment	External Environment
STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> ○ Non-discriminatory access to the internal EU market ○ Peace and safety ○ Tariff-free market, no customs barriers ○ Corruption and Monopoly regulations ○ Free movement of labour and capital ○ Legal and human rights modernisation 	<ul style="list-style-type: none"> ○ EU funds ○ Job prospects; outsourcing opportunities due to lower labour and production costs in B&H ○ Students could study abroad ○ Improved sustainability of the pension, health care and social protection systems ○ Increased attractiveness for FDI
WEAKNESSES	THREATS
<ul style="list-style-type: none"> ○ Lack of sovereignty ○ Costs of membership ○ Lack of decision-making for smaller nations ○ Costs of implementing all the norms and standards ○ Loss of market share of local companies 	<ul style="list-style-type: none"> ○ Free movement of labour (young population leaving B&H) ○ Risk of high taxes, too large debt ○ The possibility of rising unemployment ○ Local companies losing business to stronger EU companies

Source: Own work

3.4.5 Recommendation

Even though Bosnia and Herzegovina is far from the point of becoming member of the EU, government should follow that idea and put efforts with the clear goal of becoming member of European Union. Even though membership to European Union has advantages and disadvantages, advantages will most likely overweigh the disadvantages, at least in the case of B&H for whom it is necessary to first complete for example Copenhagen Criteria in order to enter, and by attaining just that, the nation would improve massively. Bosnia and Herzegovina should make adjustment to the budget and budgetary processes in order to achieve better capacity for using the funds that are available to the country during the accession period and after becoming member. Priority for Bosnia and Herzegovina in next few months should be the implementation of suggestions from EU's Opinion of 2019, which is not just only strategically important for the EU path, rather it is important for the sole purpose of creating more efficient government and more stable market and

economy. It is important for Bosnia and Herzegovina not to see the accession as method of reaching EU, rather as method of improving country for itself, regardless of the outcome and when the outcome will be reached. Even though sole process is costly, Bosnia and Herzegovina should actually see it as a process in which it might contribute at this point, but in the long run it would deliver results and benefits that would be worth of costs along the road. After rough period of 100 years, Bosnia and Herzegovina should embrace the chance to be a member of European Union and do as much as possible to become member as soon as possible, so the citizens could finally enjoy in peace and long waited stability (Kosić, 2018).

CONCLUSION

Bosnia and Herzegovina has formally applied for membership in EU and has its application under the review. It has been a long and exhausting process that has been lasting for more than a decade. Even though there is still a lot of work to be done in order to become a member of European Union, Bosnia and Herzegovina is committed to that goal. During the last ten years, B&H has received more than 3.5 billion Euros from EU funds in order to stabilise the country and prepare it for eventual accession to the EU. B&H also experienced a few shifts in approach to the obligations and requirements in order to become a member, from requirement of constitutional changes to adjusting legal framework, market and governance. It has been in the process of implementation of Reform Agenda for the last five years which sets number of areas in which Bosnia and Herzegovina has to make changes in order for them to be complementary to those of European Union. The process is being slowed down by lack of political will and cooperation. There are many reasons why Bosnia and Herzegovina should put much more efforts in order to become member of EU. There are many reasons why Bosnia and Herzegovina needs to strive to become a member of the EU. Membership to European Union has also some disadvantages and costs, but in general, advantages overshadow the disadvantages. The EU membership advantages include free movement of people, goods and services, a stable market, efficient government, peace, safety and stability. Furthermore, corruption regulations, education, travel and job prospects, EU funds and sustainability of the pension, health care and social protection systems are all advantages which are much more significant than the possible risks or disadvantages such as lack of sovereignty or membership costs. These mentioned advantages would also result in a more content society who have to freedom of choice and are able to live justly with integrity and various opportunities which currently isn't the case in Bosnia and Herzegovina. As things stand, the majority of other Western Balkan countries are currently ahead of Bosnia and Herzegovina in process of becoming member country of European Union and in order not to stay isolated, Bosnia and Herzegovina must speed up the accession process. Public opinion of citizens of Bosnia and Herzegovina is inclined to the membership to EU and finds it the only positive option. In order to speed up the process, citizens must be aware of the process and options, in order to influence their elected officials to show more

political will and put more effort in EU path. At the end, the final call and responsibility will be of people and up to that point, people must be aware what does the membership mean, be aware of advantages and disadvantages and based on that awareness, make a decision.

REFERENCE LIST

1. Alatović, S. (2013). Bosna i Hercegovina i regionalni ekonomski razvoj u kontekstu prisutpa europskim integracijama. *Zbornik Radova Univerzitet Dzemal Bijedic u Mostaru*, 11(19), p. 235–248.
2. Banning, T. (2015, August 16). *The Bonn Powers of the High Representative in Bosnia Herzegovina: Tracing a Legal Figment*. Retrieved 22 June 2021 from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2860899
3. Bartunek, R. R. E. (2018, February 6). *EU opens door to Balkans with 2025 target for membership*. Retrieved 22 June 2021 from <https://www.reuters.com/article/us-eu-balkans-idUSKBN1FQ1XE>
4. BBC News. (2018a, June 12). *Macedonia and Greece: Deal after 27-year row over a name*. Retrieved 22 June 2021 from <https://www.bbc.com/news/world-europe-44401643>
5. BBC News. (2018b, October 8). *Bosnia-Herzegovina profile - Timeline*. Retrieved 21 June 2021 from <https://www.bbc.com/news/world-europe-17212376>
6. BBC News. (2019, January 25). *Macedonia and Greece: Vote settles 27-year name dispute*. Retrieved 21 June 2021 from <https://www.bbc.com/news/world-europe-47002865>
7. BBC News. (2020, July 11). *Bosnia's Srebrenica massacre 25 years on - in pictures*. Retrieved 22 June 2021 from <https://www.bbc.com/news/world-europe-53346759>
8. Begović, S., Lazović- Pita, L., Pijalović, V. & Baskot, B. (2019, August). An investigation of determinants of youth propensity to emigrate from Bosnia and Herzegovina. *Economic Research-Ekonomiska Istraživanja*. Retrieved from <https://www.tandfonline.com/doi/full/10.1080/1331677X.2020.1754267>
9. Bindi, F. & Angelescu, I. (Eds.). (2012). *The Foreign Policy of the European Union: Assessing Europe's Role in the World* (3rd ed.). Washington, DC: Brookings Institution Press.
10. BIRN. (2019, May 20). *One-Way Ticket: Croatia's Growing Emigration Crisis*. Retrieved 22 June 2021 from <https://balkaninsight.com/2019/01/08/one-way-ticket-croatia-s-growing-emigration-crisis-12-21-2018/>
11. Boračić-Mršo, S. (2019, September 2). *Za šest godina BiH napustilo više od pola miliona ljudi. Slobodna evropa*. Retrieved 22 June 2021 from <https://www.slobodnaevropa.org/a/odlasci-iz-bih/30142260.html>
12. Chandler, D. (2000). *Bosnia - Second Edition: Faking Democracy After Dayton* (Second ed.). London, UK: Pluto Press.

13. Clinton, B. (2020, November 14). *Dayton Accords*. *Encyclopedia Britannica*. Retrieved 22 June 2021 from <https://www.britannica.com/event/Dayton-Accords>
14. Čomor, A. (2020, November 16). Prevare koje su obilježile izbore u BiH. *NI Info*. Retrieved 22 June 2021 from <https://ba.n1info.com/vijesti/a487312-prevare-koje-su-obiljezile-izbore-u-bih/>
15. Dabrowski, M. (2019). The Economic and Monetary Union: Its Past, Present and Future. Retrieved 21 June 2021 from https://www.europarl.europa.eu/RegData/etudes/STUD/2019/631040/IPOL_STU%282019%29631040_EN.pdf
16. Dallara, C. (2016). *Democracy and Judicial Reforms in South-East Europe: Between the EU and the Legacies of the Past (Contributions to Political Science)* Bologna, Italy: Springer.
17. Delegation of the EU to Bosnia and Herzegovina. (n.d.). EU enlargement process. Retrieved 22 June 2021 from https://europa.ba/?page_id=923
18. Directorate for European Integration. (2016). *Podrška građana ulasku Evropsku uniju* [Infographic]. Retrieved 22 June 2021 from https://www.dei.gov.ba/uploads/documents/istrazivanje-javnog-mnijenja_1599044166.pdf
19. Directorate for European Integration. (2017). *Podrška građana ulasku Evropsku uniju* [Infographic]. Retrieved 22 June 2021 from https://www.dei.gov.ba/uploads/documents/istrazivanje-javnog-mnijenja-2017_1599040219.pdf
20. Directorate for European Integration. (2018). *Stavovi građana o procesu integracija i članstvu BiH u EU* [Infographic]. Retrieved from https://www.dei.gov.ba/uploads/documents/ispitivanje-javnog-mnijenja-2018_1599039152.pdf
21. Directorate for European Integration. (2019). *Stavovi građana o članstvu u EU i procesu integracija* [Infographic]. Retrieved from https://www.dei.gov.ba/uploads/documents/istrazivanje-javnog-mnijenja-2019-stavovi-gradana-o-clanstvu-u-eu-i-procesu-integracija-u-eu_1599037957.pdf
22. European Commission. (2003, June 21). EU-Western Balkans Summit Thessaloniki. Retrieved 22 June 2021 from https://ec.europa.eu/commission/presscorner/detail/en/PRES_03_163
23. European Commission. (2016, December 6). Steps towards joining. Retrieved 22 June 2021 from https://ec.europa.eu/neighbourhood-enlargement/policy/steps-towards-joining_en
24. European Commission. (2017, July 5). The European single market. Retrieved 22 June 2021 from <https://ec.europa.eu/growth/single-market/>
25. European Commission. (2018, April). *Bosnia and Herzegovina 2018 Report*. Retrieved 22 June 2021 from <http://europa.ba/wp-content/uploads/2018/04/20180417-bosnia-and-herzegovina-report.pdf>

26. European Commission. (2019, May). *Commission Opinion on Bosnia and Herzegovina's application for membership of the European Union*. Retrieved 22 June 2021 from <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-bosnia-and-herzegovina-analytical-report.pdf>
27. European Commission. (2020a, February). *Country Report Slovenia 2020*. Retrieved 22 June 2021 from <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020SC0523&from=EN>
28. European Commission. (2020b, July 30). Check current status. Retrieved 22 June 2021 from https://ec.europa.eu/neighbourhood-enlargement/countries/check-current-status_en
29. European Commission. (2020c, August 7). Serbia. Retrieved 22 June 2021 from https://ec.europa.eu/neighbourhood-enlargement/countries/detailed-country-information/serbia_en
30. European Commission. (2020d, August 11). North Macedonia - financial assistance under IPA II. Retrieved 22 June 2021 from https://ec.europa.eu/neighbourhood-enlargement/instruments/funding-by-country/north-macedonia_en
31. European Commission. (2020e, October 1). Montenegro. Retrieved 22 June 2021 from https://ec.europa.eu/neighbourhood-enlargement/countries/detailed-country-information/montenegro_en
32. European Commission. (2020f, October). *Bosnia and Herzegovina 2020 Report*. Retrieved 22 June 2021 from https://ec.europa.eu/neighbourhood-enlargement/sites/default/files/bosnia_and_herzegovina_report_2020.pdf
33. European Commission. (2014). The EU's main investment policy. Retrieved 22 June 2021 from https://ec.europa.eu/regional_policy/en/policy/what/investment-policy/
34. European Environment Agency. (2019, September 25). *Land cover and change statistics 2000–2018*. Retrieved 22 June 2021 from <https://www.eea.europa.eu/data-and-maps/dashboards/land-cover-and-change-statistics>
35. European Forum for Democracy and Solidarity. (2021). Bosnia Herzegovina. Retrieved 22 June 2021 from <https://www.europeanforum.net/countries/bosnia-herzegovina>
36. European Union. (2014). Reform Agenda for Bosnia and Herzegovina 2015 - 2018. Retrieved 22 June 2021 from <http://europa.ba/wp-content/uploads/2015/09/Reform-Agenda-BiH.pdf>
37. European Union. (2020, July 31). Germany. Retrieved 22 June 2021 from https://europa.eu/european-union/about-eu/countries/member-countries/germany_en
38. European Western Balkans. (2015, August 5). The Reform Agenda: Bosnia and Herzegovina's best chance. Retrieved 22 June 2021 from <https://europeanwesternbalkans.com/2015/08/05/the-reform-agenda-bosnia-and-herzegovinas-best-chance/>
39. European Western Balkans. (2019, December 5). Montenegro to open its final chapter with EU, Serbia only the second this year. Retrieved 22 June 2021 from

- <https://europeanwesternbalkans.com/2019/12/05/montenegro-to-open-its-final-chapter-with-eu-serbia-only-the-second-this-year/>
40. European Western Balkans. (2020, May 6). Zagreb Declaration, 6 May 2020. Retrieved 22 June 2021 from <https://europeanwesternbalkans.com/2020/05/06/zagreb-declaration-6-may-2020/>
 41. Fagan, A. (2016, June). *Judicial Reform in Serbia and Bosnia-Herzegovina: Is EU Support and Assistance Augmenting Independence* (24). (MAXCAP, Ed.). Freie Universität Berlin. Retrieved from https://userpage.fu-berlin.de/kfgeu/maxcap/system/files/maxcap_wp_24.pdf
 42. Hadžiahmetović, A. (2011). *Ekonomija evropske unije*. Sarajevo, B&H: Ekonomski fakultet u Sarajevu.
 43. Hehir, A. (2018, February 16). Kosovo is still locked out of the EU ten years after declaring independence – why? Retrieved 22 June 2021 from <https://theconversation.com/kosovo-is-still-locked-out-of-the-eu-ten-years-after-declaring-independence-why-91869>
 44. ICTY. (2010). Prosecution Case - Croatia and Bosnia and Herzegovina | International Criminal Tribunal for the former Yugoslavia. Retrieved 22 June 2021 from <https://www.icty.org/en/content/prosecution-case-croatia-and-bosnia-and-herzegovina>
 45. Ivković, A. (2018, May 9). Weber: The failure of the BiH Reform Agenda is the failure of the EU. Retrieved 22 June 2021 from <https://europeanwesternbalkans.com/2018/05/09/weber-failure-bih-reform-agenda-failure-eu/>
 46. James, W. (2006). *Overview of the European Union*, CIVITAS Institute for the Study of Civil Society. Retrieved from <http://www.civitas.org.uk/content/files/OS.1.Overview.pdf>
 47. Karyotis, G., & Gerodimos, R. (2019). *The Politics of Extreme Austerity: Greece in the Eurozone Crisis (New Perspectives on South-East Europe)*. London, UK: Palgrave Macmillan.
 48. Ker-Lindsay, J. (2016). *The Hollow Threat of Secession in Bosnia and Herzegovina*. London, England: LSEE - Research on South Eastern Europe.
 49. Kmezić, M. (2015). *The Western Balkans and EU Enlargement: Lessons learned, ways forward and prospects ahead*. Brussels: Policy Department, Directorate-General for External Policies.
 50. Knox, P. (2020, January 31). What is Brexit? The UK's departure from the European Union explained. Retrieved 22 June 2021 from <https://www.thesun.co.uk/news/2099807/what-is-brexit-uk-eu/>
 51. Komljenović, A. & Komljenović, B. (2013, July). Accession of Bosnia and Herzegovina to the European Union: Impact on Public Finances, Budget and Legislation. *GSTF Journal on Business Review*. Retrieved from <http://dl6.globalstf.org/index.php/gbr/article/viewFile/148/174>
 52. Kosić, I. (2018). *Politička analiza: Europska (re)konekcija Balkana: Potraga za novim modalitetima suradnje*. Retrieved from http://vpi.ba/wp-content/uploads/2018/06/Politicka-Analiza-Evropska-rekonekcija-Balkana_bhs.pdf

53. Kulenović, T. (1998). Pripreme za rat i početak rata u Bosni i Hercegovini 1992. godine. *Polemos : Časopis Za Interdisciplinarna Istraživanja Rata i Mira*, pp. 89–112.
54. Kurtćehajić, S. (2012). State-legal vertical Bosnia and Herzegovina. In *Society Internationalization- Effectivity and Problems* (pp. 257–282). Peja, Republic of Kosovo: Regional Science Conference with International Participation.
55. Kumalić, J. (2013). Monetary and Fiscal Policy in B&H and EU in Time of Global Financial Crisis. *Zbornik radova- Pravni i ekonomski aspekti i procesa integracije Bosne i Hercegovine u Evropsku uniju* [Collection of Papers- Legal and economic aspects of the integration process of Bosnia and Herzegovina to the European Union]. Mostar: Univerzitet “Džemal Bijedić”.
56. Lampe, J. R. (2020). Bosnia and Herzegovina | Facts, Geography, History & Maps. Retrieved 22 June 2021 from <https://www.britannica.com/place/Bosnia-and-Herzegovina>
57. Markuš, R. (2017). Monitoring of the EU Reform Agenda in Bosnia and Herzegovina. In *DIEM 2017- Managing Business Growth in a Volatile Environment* (pp. 300–317). Dubrovnik, Croatia: Dubrovnik International Economic Meeting - DIEM.
58. McIver, I. (2011). *The European Union – A brief history*. SPICe The information center. Retrieved 22 June 2021 from http://www.parliament.scot/ResearchBriefingsAndFactsheets/S4/SB_11-44.pdf
59. Mrak, M., Rojec, M. & Silva-Jáuregui, C. (2004). Overview: Slovenia’s Threefold Transition. In *Slovenia from Yugoslavia to the European Union* (pp. xx–xxv). Washington, DC: The World Bank.
60. OHR. (2016, June 6). PIC Bonn Conclusions. Retrieved 22 June 2021 from <http://www.ohr.int/pic-bonn-conclusions-2/#11>
61. OSCE. (1995, December 14). Dayton Peace Agreement. Retrieved 22 June 2021 from <https://www.osce.org/bih/126173>
62. Pavlic, V. (2017, July 1). Croatia Marks Four Years as EU Member State. R Retrieved 22 June 2021 from <https://www.total-croatia-news.com/politics/20097-croatia-marks-four-years-as-eu-member-state>
63. Petritsch, W. (2002). *Bosna i Hercegovina od Dayton do Evrope* [Bosnia and Herzegovina from Dayton to Europe]. Sarajevo: Svjetlost.
64. Pettinger, T. (2016, July 3). Benefits of the European Union. Retrieved 22 June 2021 from <https://econ.economicshelp.org/2007/03/benefits-of-european-union.html>
65. Pickering, P. (2020, November 24). Bosnia and Herzegovina | Facts, Geography, History & Maps. Retrieved 22 June 2021 from <https://www.britannica.com/place/Bosnia-and-Herzegovina>
66. Pinjo Talevska (RCC), M. (Ed.). (2018). *Balkan Barometer 2018: Public Opinion Survey*. Regional Cooperation Council Secretariat (RCC). Retrieved 22 June 2021 from https://www.rcc.int/seeds/files/RCC_BalkanBarometer_PublicOpinion_2018.pdf

67. Potočnik, J. & Lombardero, J. (2004). Slovenia's Road to Membership in the European Union. In M. Mrak, M. Rojec & C. Silva-Jáuregui (Eds.), *Slovenia From Yugoslavia to the European Union* (p. 375). Washington, DC: The World Bank.
68. Press corner European Commission. (2019, May 29). Key findings of the Opinion on Bosnia and Herzegovina's EU membership application and analytical report. Retrieved 22 June 2021 from https://ec.europa.eu/commission/presscorner/detail/de/COUNTRY_19_2778
69. Press Corner European Commission. (2019, July 18). Visa Liberalisation: Commission confirms Kosovo fulfils all required benchmarks. Retrieved 22 June 2021 from https://ec.europa.eu/commission/presscorner/detail/en/IP_18_4562
70. Rankin, J. (2017, May 25). Greece in Europe: a short history. Retrieved 22 June 2021 from <https://www.theguardian.com/world/2015/jul/03/greece-in-europe-a-short-history>
71. Reding, A. (2002, January 6). *EU in position to be world's next superpower*. Retrieved 22 June 2021 from <https://www.chicagotribune.com/news/ct-xpm-2002-01-06-0201060227-story.html>
72. Regional Cooperation Council. (2020, June). *Balkan Barometer 2020*. (M. Pinjo Talevska, Ed.). Author. Retrieved 22 June 2021 from <https://www.rcc.int/pubs/95/balkan-barometer-2020-public-opinion-survey>
73. RFE/RL's Balkan Service. (2020, March 27). *EU Leaders Give Final OK to Begin North Macedonia, Albania Membership Talks*. Retrieved 22 June 2021 from <https://www.rferl.org/a/eu-leaders-give-final-approval-eu-membership-talks-macedonia-albania/30512156.html>
74. Rooney, K. (2019, November 1). *The Berlin Wall: reunification, EU enlargement, debt crises and Brexit - events that have reshaped a continent*. Retrieved June 21, 2021, from <https://www.weforum.org/agenda/2019/11/berlin-wall-eu-expansion-germany-greek-debt-crisis/>
75. Rupnik, J. (2011). *The Western Balkans and the EU: 'The hour of Europe'* (Vol. 126). Condé-sur-Noireau, France: EU Institute for Security Studies.
76. Sandford, A. (2021, June 17). *Post-Brexit Guide: Where are we now – and how did we get here?* Retrieved 22 June 2021 from <https://www.euronews.com/2020/06/11/brexit-draft-deal-first-of-many-hurdles-to-a-smooth-exit>
77. Statista. (2020, June 22). Unemployment rate in Bosnia-Herzegovina 2020. Retrieved 22 June 2021 from <https://www.statista.com/statistics/453933/unemployment-rate-in-bosnia-herzegovina/>
78. Taylor, C. (2019, May 17). Majority of Europeans think the EU will fall apart within 20 years, study finds. Retrieved 22 June 2021 from <https://www.cnbc.com/2019/05/17/majority-of-europeans-think-the-eu-will-fall-apart-within-20-years.html>
79. Thomas, M. (2017, September 9). The ever decreasing circles of Croatia's population crisis - The Dubrovnik Times. Retrieved 22 June 2021 from

<https://www.thedubrovniktimes.com/lifestyle/opinion/item/3061-the-ever-decreasing-circles-of-croatia-s-population-crisis>

80. Transparency International. (2021, April 29). 2020 - Corruption Perceptions Index. Retrieved June 23, 2021, from <https://www.transparency.org/en/cpi/2020>
81. Turčilo, L. (2013). Bosnia-Herzegovina and the European Union: Strong European Identity in Spite of Scepticism. *Erişim Tarihi*. Published. Retrieved from <https://eu.boell.org/sites/default/files/uploads/2013/12/lejla-turcilo-bosnia-herzegovina-and-the-eu.pdf>
82. Velebit, V. (2018, January 26). What is the state of Bosnia and Herzegovina's European integration? Retrieved 22 June 2021 from <https://europeanwesternbalkans.com/2018/01/26/state-bosnia-herzegovinas-european-integrations/>
83. Velić, I. (2018). Copenhagen Criteria and Western Balkan Candidate Countries for Membership in European Union: Case of Bosnia and Herzegovina. In *Zbornik radova Ekonomskog fakulteta Sveučilišta u Mostaru Special Issue* (Special Issue ed., pp. 278–312). Retrieved from https://zbornik.ef.sum.ba/wpcontent/uploads/2020/07/rad_16_Ismar_Velic.pdf
84. Vizjak, A. & Vizjak, M. (2015). The Necessity of Using Foreign Capital in the Croatian Economy. *Mediterranean Journal of Social Sciences*, 6(2). <https://doi.org/10.5901/mjss.2015.v6n2s5p55>
85. The World Bank. (2019, December). *Bosnia and Herzegovina Growth and Jobs: Reform Priorities for Promoting Better Private Sector Jobs*. The World Bank Group. Retrieved from <https://documents1.worldbank.org/curated/en/395811590667406494/pdf/Bosnia-and-Herzegovina-Growth-and-Jobs-Reform-Priorities-for-Promoting-Better-Private-Sector-Jobs.pdf>
86. The World Bank. (2021). Current account balance (% of GDP) - Bosnia and Herzegovina | Data. Retrieved July 30, 2021, from <https://data.worldbank.org/indicator/BN.CAB.XOKA.GD.ZS?locations=BA>
87. Worldometer. (2021). Bosnia and Herzegovina Population (2021) - Worldometer. Retrieved July 30, 2021, from <https://www.worldometers.info/world-population/bosnia-and-herzegovina-population/>
88. Zyla, B. (2020). *The End of European Security Institutions? The EU's Common Foreign and Security Policy and NATO After Brexit (SpringerBriefs in Political Science)*. Cambridge, MA: Springer.

APPENDIX

Appendix: Povzetek (Summary in Slovene language)

Evropska unija danes velja za eno od svetovnih velesil. Večina držav na evropski celini, ki niso države članice, ima za cilj doseči polnopravno članstvo v EU. Od svoje ustanovitve se je EU večkrat širila na sedanjih 27 držav članic. Slovenija je od držav nekdanjih jugoslovanskih republik prva postala polnopravna članica EU, in sicer leta 2004, sledila je Hrvaška, ki se je kot zadnja država priključila EU v letu 2013. Preostale države nekdanje Jugoslavije so si za cilj postavile polnopravno članstvo v EU, pri doseganju tega cilja, pa so bile nekatere bolj, druge manj uspešne. Na splošno v teh državah prevladuje mnenje, da bo članstvo v Evropski uniji pozitivno vplivalo na splošno blaginjo in zadovoljstvo državljanov.

Ta magistrska naloga obravnava izzive, prednosti in slabosti vstopa Bosne in Hercegovine (v nadaljevanju BiH) v Evropsko unijo ter analizira, kako uspešna je bila BiH do sedaj na poti približevanja EU. Bosna in Hercegovina je zaprosila za članstvo leta 2016, kar je odprlo številna vprašanja, na primer kakšni so učinki približevanja ter kako uspešna je pri tem BiH v primerjavi z drugimi državami iz regije, pa tudi kaj bi BiH pridobila in izgubila s članstvom v Evropski uniji. Glavni cilj BiH je postati polnopravna članica EU, tako da je v ospredju magistrskega dela analiza prednosti in priložnosti, ki jih članstvo prinaša. Ne smemo pa pozabiti tudi na morebitne negativne učinke vstopa ter nevarnosti in izzive, ki jih proces evropske integracije prinaša, pri čemer se bom uprla na izkušnje drugih držav ter upoštevala izzive, s katerimi se sooča sama EU. Metodološko se bom v magistrskem delu oprla na SWOT analizo pristopa BiH k EU, pri čemer bom uporabila sekundarne podatke ter študije, ki so bile narejene, da bi sistematično preučila, kateri vidiki Evropske unije so koristni za BiH, in tudi, ali obstajajo potencialne grožnje ali tveganja, ki bi se pojavila po pridobitvi statusa polnopravne članice.

Kot ena od glavnih prednosti vstopa Bosne in Hercegovine v EU je nediskriminatoren dostop do notranjega trga EU, ki omogoča prost pretok blaga, storitev, kapitala in dela ter boljše pogoji za doseganje trajnega miru in varnosti. Članstvo prinaša dostop do evropskih kohezijskih sredstev, več možnosti za zaposlitev in lažje zagotavljanje vzdržnosti pokojninskega, zdravstvenega in socialnega varstva. Po drugi strani pa so slabosti povezane z izgubo suverenosti na področjih, kjer je odločanje preneseno na evropske institucije. Samo članstvo bi pomenilo tudi določne dodatne stroške prilagajanja ter verjetno izgubo tržnega deleža domačih podjetij, grožnja pa bi bila izseljevanje, predvsem mlade, izobražene populacije ter tveganja visokih davkov in velikega dolga. Čeprav je Bosna in Hercegovina daleč od tega, da bi postala članica EU, bi morala vlada slediti tej ideji in vsa prizadevanja usmeriti k jasnemu cilju polnopravnega članstva v EU. Čeprav ima članstvo v Evropski uniji prednosti in slabosti, bodo prednosti najverjetneje odtehtale slabosti, vsaj v primeru BiH. Za članstvo je potrebno najprej izpolniti kopenhagenska merila za vstop v EU, kar bi že samo po sebi pomenilo premik v pravi smeri. Med drugim bi morala Bosna in Hercegovina prilagoditi proračun in proračunske postopke, da bi izboljšala zmogljivosti za uporabo sredstev, ki so državi na voljo v pristopnem obdobju ter tudi po vstopu v EU. Prednostna naloga Bosne in Hercegovine bi morala biti uresničitev predlogov iz "EU's Opinion" iz leta 2019, ki ni le strateško pomembno za pot EU, temveč je pomembno tudi za samo povečanje učinkovitosti vlade in stabilnega ekonomskega okolja. Za Bosno in Hercegovino je pomembno, da proces priključevanja EU gleda kot na priložnost za izboljšanje delovanja države kot take, ne glede na izid in časovnico vključevanja v EU.