FOREWORD

Dear colleagues and friends,

The months since the last edition of *Europe&us* have been marked by significant changes in the international arena. Proof that we are living in a world that is constantly changing, often unexpectedly, is the British referendum on leaving the EU held on June 23. The results of the vote reverberated throughout Europe and the world, surprising even vocal supporters of exit, while the new reality opened many questions about Unione’s future. At the same time, among candidate countries for EU membership - including Serbia - a concern emerged about the possible consequences of Brexit on EU enlargement policy. CEP continuously follows this topic, therefore in this edition of *Europe&Us* we offer an analysis of the consequences of Brexit on the enlargement process through three scenarios.

This challenging moment coincided with a change in the presidency of the EU Council. As of 1 July, Slovakia presides over the Union for the first time, and does so under unprecedented circumstances as a member state is leaving the Union. After Brexit, the priority areas of the presidential agenda are being reoriented towards strengthening Europe’s position in the world – through focus on the economy and modernisation of the single market, sustainable asylum and migration policy and a globally engaged Europe. For Serbia and other Western Balkan countries, it is significant that Slovakia continues to support enlargement policy and democratic processes in the region. In this edition of *Europe&Us*, find out how the Slovak Presidency will affect the future of accession countries and what challenges they will face in achieving new priorities.

At the beginning of June, in the light of Croatian refusal to give consent to the opening of Chapter 23, CEP organised the panel “Member States’ Role in the EU Negotiation Process – Playing Cat and Mouse,” gathering numerous Government, CSO and media representatives. The conclusions of the panel were unanimous: new challenges await Serbia on the European path, but they can be successfully overcome by strengthening cooperation and understanding among neighbours and member states through efficient and problem-oriented policymaking.

In the post-Brexit era, as support for enlargement among European citizens decreases, CEP will continue to contribute to successful policymaking and implementation in Serbia while also focusing on promoting the significance of adopting European values and the accession process. This newsletter intends to explore these topics.

Respectfully,

Neboša Lazarević, CEP Director

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CEP RESEARCHES

Who Demands Open Data in Serbia?

CEP’s new study deals with open data demand created by civil society organisations (CSOs) in the context of limited supply of said open data in Serbia. On one hand, this paper demonstrates that civil society interest in open data is currently restricted to a particular niche of CSOs. On the other, it points to the potentials of open data for think tanks and other CSOs conducting research, not only in terms of better monitoring of government performance, but also diversifying their own research methodologies, improving their evidence-based advocacy efforts, and enhancing the ‘data light’ research environment in Serbia in the long-term. Additionally, this paper argues that cross-sector collaboration between these CSO, the media, academic and private sector stakeholders, as well as the tech community, could increase open data demand and enhance related efforts in Serbia. However, all these potentials for open data and CSOs are also dependent upon the further involvement of the donor community, which needs to recognize the value of open data in the Serbian context as well as invest in the analytical and technical capacities of CSOs, which are needed to properly handle open data.

Establishing Centre of Excellence on Policymaking Systems in The Western Balkans (CEPS WeB)

Within the institutional framework provided by the regional Think for Europe Network (TEN), CEP has started implementing a new project aiming to create the Centre of Excellence on Policymaking Systems in the Western Balkans (CEPS WeB). It will be oriented towards creating demand and raising awareness of the necessity for policy research and analysis at the regional level, through joint policy research and advocacy in the region. CEPS WeB would, hence, pinpoint regional aspects of policymaking systems, procedures, approaches, and capacities that are common across the region and go beyond national agendas.

The project of creating CEPS WeB will last from June until November 2016, and is financed under the framework of the Regional Research Promotion Programme (RRPP).
Public administration reform is one of the priorities in the enlargement process of the European Union. Its importance has been emphasised by the European Commission since 2014. Providing services to citizens and policy making and coordination stand out among the six areas in which SIGMA/OCD defines the principles of public administration, both of which will affect Serbia’s progress in the accession negotiations. In this regard, from May 2016 to May 2018, CEP and the European Movement in Serbia are implementing the PARtnershiPS project in Serbia - Partnership for Public Administration Reform and Public Services.

The project involves research on the provision of public services in three areas (health, education and home affairs) with a focus on the way in which these policies are developed and the level of satisfaction of citizens in terms of the services provided. Research will create the basis for evidence-based recommendations for public administration reform in Serbia in the context of accession negotiations. In this way, together with other planned activities (consultation meetings, workshops, TV shows and public campaigns), the study will provide participatory, citizen-oriented design and implementation of public administration reform and improve accountability of the Government of Serbia for the quality of services provided to citizens. The project is implemented in cooperation with 12 partners in Serbia: Positive, Protecta - Nis, Timočki omladinski centar, and 9 members of the European Movement in Serbia Network in Subotica, Novi Sad, Sremska Mitrovica, Lazarevac, Valjevo, Kraljevo, Krusevac, Novi Pazar and Leskovac. The project is funded by the U.S. Agency for International Development (USAID Serbia).

**CEP FOLLOWS**

**Effects of Brexit on the Enlargement Policy**

The effects of the British referendum and pertinent decision to leave the EU will affect the further functioning of the Union, as well as (potential) candidate countries. The CEP research team identified three scenarios which, given the Brexit context, may impact EU enlargement policy towards the Western Balkans. Forthcoming events will mainly depend upon political dynamics both within the EU as well as the relationship between the UK, EU and other member states.

The preservation of political stability in the UK may lead to a prompt conclusion of the UK – EU negotiations. Such resolution of the existing situation may prove to be the least detrimental for the Western Balkan countries’ accession process. The appointment of Theresa May as the new UK Prime Minister sends encouraging signals that this “least worst case” situation may be unfolding, albeit with persistent uncertainties (e.g. announcement that UK will not initiate legal procedure for leaving the EU before 2017). A second potential outcome for the enlargement scenario would occur if the UK (despite the referendum results) decides to stay under altered conditions (after a repeated referendum and/or negotiations with the EU). It this case however, enlargement policy would probably be decelerated in the short term due to expected resistance of the UK. The final and worst-case scenario (excluding the very unlikely scenario of EU dissolution), both for enlargement policy as well as for GB and the EU, might occur if GB – EU negotiations stagnate - which might occur in case of widespread political instability within GB.

Considering recent developments, the new GB – EU relationship will likely form under the initial scenario suggested - with the least possible costs incurred on both sides. This should positively reflect upon further enlargement policy. However, it should be emphasised that Brexit is certainly not the only factor defining the further EU position towards the Western Balkans. Policy positions and future activities of the candidate countries will undoubtedly remain a significant element which will affect the position of the member states towards the further enlargement.

*The analysis and the review of potential outcomes of the Brexit referendum can be found in the new CEP Insight publication “Brexit or Not? What Consequences for the Enlargement Policy?”*

**Slovak Presidency of the EU**

The beginning of the Slovak Presidency was marked by Brexit, migration crisis, recent terrorist attacks, and consequences of the economic and financial crisis in the EU member states, all of which exerted significant influence on the formation of the Slovak Presidency program. As a result, this program heavily emphasizes restoring the confidence of EU citizens, with previously envisaged priority areas re-defined as follows: an economically strong Europe, modernisation of the single market, a sustainable migration and asylum policy and a globally engaged Europe. These formidable new and old problems understandably exert considerable influence on decision making and necessitate a high-level, macro EU focus, thus leaving little room for Slovakia to take initiatives or prioritize agenda items in accordance with its own vision.

This problem is particularly important in light of further EU enlargement policy. Although Slovakia is traditionally supportive of EU enlargement towards the Balkans, given the circumstances the topic of Balkan accession is not at the forefront of concern. This is evidenced by the fact that EU enlargement, after the re-drafting of the initially envisaged priority areas, ceased to be a separate area: it was placed under the very vague priority area “globally engaged Europe”. This does not mean that the enlargement process will come to a halt, but that the progress in this area will largely depend on the resolution of the aforementioned challenges (especially Brexit) as well as on the performance of the Western Balkans countries. Therefore, it can be concluded that the space for further political manoeuvring of Slovakia within its Presidency term, albeit small, still exists – primarily in terms of the optimal utilization of available opportunities to strengthen the EU efforts directed towards the enlargement process (within defined priority areas and identified challenges), and the attainment of concrete progress in the candidate countries.

*These topics were further analysed in the July issue of CEP Insight: “Slovak Presidency of the EU: No Shortage of Challenges?”*
Serbia and The EU: A Value-Based EU Still Has Its Appeal

Even though the EU has been the largest single donor in Serbia since 2000, the majority of Serbian citizens are not aware of that fact, and more than two thirds have never heard of any EU-financed project. Instead, they perceive Russia, Japan, China and others as greater donors than the EU. Moreover, around 50% of the citizens are either mal-informed or ignorant of the current status in the accession negotiations. What is also suggestive is that approximately one third of the population is indifferent about the EU and would not know how to vote on EU membership if the referendum was held tomorrow.

However, all mainstream political parties are vocally pro-EU, despite the fact that that a substantive debate on the costs and benefits of EU membership, Serbia’s vision as an EU member, the EU policies of particular interest, etc., is lacking. A vast educational vacuum is hence present in the public space which requires more streamlined communication policies by the EU and Serbian government to disseminate important information and data surrounding this topic to create an informed public.

Full article of CEP’s Programme Director Milena Lazarević and Senior Researcher Sena Marić is available at the EU forum web page.

CEP EVENTS

Member States’ Role in the EU Negotiation Process: Playing Cat and Mouse?

The role of the Member States in the EU membership negotiation process is becoming increasingly important – the enlargement process might be blocked or entirely brought to a halt if contentious issues are not solved bilaterally. This was the conclusion of the panel discussion “Member States’ Role in the EU Negotiation Process – Playing Cat and Mouse?”, organised on 6 June 2016 by CEP and the European Policy Centre (EPC) from Brussels.

Tanja Miščević, the Head of the Negotiating Team for Accession of Serbia to the EU, stressed that the member states’ role had increased as the acquis communautaire expanded, while the negotiation process became an excellent opportunity for Member States to put forth some of their specific, national, demands. However, the only manner in which bilateral challenges should be resolved is – bilaterally.

CEP Director Nebojša Lazarević pointed out that “member states have learned a number of lessons from prior waves of enlargement, realising that the countries of SEE are good at ‘feigning’ reforms and producing regulation – which has lead to tighter criteria and increased control of the reform implementation by the Member States.” He also stressed the crucial role of Serbian diplomacy and the negotiation team in gaining support from the EU institutions, governments and member state citizens – in short, all the relevant actors should work together.

Dejan Jović, Professor and former Advisor to the President of Croatia, pointed to the fact that the process of negotiations results in an increased number of friends and a decreased number of enemies. He added that the member states feel as if they cannot make decisions independently, and thus use the accession process to stress some of their national interests.

EPC’s Senior Analyst Corina Stratulat presented a study that the EPC recently published - based on 17 case studies of Member States’ attitudes towards EU enlargement. The results of this study point towards a “nationalisation” of the enlargement process due to the growing focus on interstate bilateral relations – the Member States are increasingly attempting to control the process and national agendas have started to dominate it.

CEP at the Annual Conference of the Regional Research Promotion Programme (RRPP)

Representatives of CEP took part in the conference “Is Western Balkans Changing in Social, Political and Economic Terms?” held in Tirana on 2-3 September. At the panel which deliberated on the European perspective of the Western Balkan countries, Programme Director of CEP Milena Lazarević assessed that EU policy of conditionality in certain areas has greatly affected progress in public administration reform in candidate states. This has generated positive and visible effects for citizens, as has been the case with visa liberalisation, and these concrete and tangible examples of outcomes created by conditionality policy also contribute to the increase of support for the EU accession process in candidate countries.

Senior Researcher Miloš Bindić presented a regional research on the topic of connecting performance audit and policy evaluation in Montenegro, Macedonia and Serbia, which was finalised at the end of 2015 as a part of RRPP Programme. He particularly emphasised results and next steps in advocating solutions derived from the policy study, while the study and policy brief were presented at the research fair organised on the sidelines of the conference.
Event Announcement: *Europe in Crisis – Thinking Forward*

Brexit, the refugee influx, the rise of extreme political parties, and terrorism threats are only a few issues that have made the EU seem more vulnerable than ever. In cooperation with BEUM Association (Belgrade European Union Model), CEP is organizing panel discussion *Europe in Crisis: Thinking Forward*. The first panel will seek to look forward and define possible outcomes of the ongoing turbulent times in the EU, while the second panel will address EU enlargement policy, which takes place in a difficult environment and risks being further side-lined from the EU’s agenda – overloaded with burning issues such as Brexit and the refugee crisis. The event is to take place in Belgrade on 26th October 2016, as a prelude to the BEUM 2016 – an EU simulation game gathering more than 300 students from across the world.

**CEP RECOMMENDS**

**Europe and Brexit in the Eyes of European Cartoonists**

Leading Danish daily *Politiken* asked cartoonists from 28 well-known European newspapers to illustrate their vision of the EU in present – in the light of Brexit. Media outlets such as German *Die Zeit*, French *Le Monde*, Austrian *Kurier* and British *The Guardian* participated in this media initiative, whose primary goal is to highlight the unity, solidarity and cooperation which European leaders today find hard to develop and maintain. Printed edition of the paper was disseminated in Brussels and at the summit of EU leaders in Bratislava on 16 September.

**Europe after Brexit: A proposal for a Continental Partnership**

(Jean Pisani-Ferry, Norbert Röttgen, André Sapir, Paul Tucker, Guntram B. Wolff)

With the appointment of the new British Prime Minister, Theresa May, Brexit becomes almost certain. However, the way in which the future relationship between the UK and the EU will be arranged will remain unknown for at least two and a half years. A group of authors gathered around Bruegel think tank developed a proposal for the so-called "continental partnership": a sort of a compromise solution in which both sides would make concessions in the interest of accomplishing mutual benefits.

According to the authors, deeply integrated markets could function without a complete freedom of movement of workers (one of the four freedoms, which had been a key debating issue for the exit vote). Using that as a starting point, they developed a proposal of how to manage the single market between the European Union and non-members, in this case the UK. A key determinant of the proposed "continental partnership" lies in its intergovernmental character, where the UK would only have a consultative role in the decision making process regarding the single market area, but would be exempted from the obligations concerning the free movement of workers.

This model, the authors believe, is suitable for the EU’s relations with Turkey, as well as with the countries of the neighbourhood policy, but in these cases the limited mobility of citizens of these countries would be in the EU’s interest. At the same time, the existing EU member states would work on strengthening the economic and financial union, which would, alongside the continental partnership, lead to the "concentric circles" effect.

Although some of the ideas set forth in this proposal seem rather questionable and appear to be controversial, they should be taken into consideration as they have managed to open a debate and launch a reflection not only on the future UK-EU relation, but also on the structure of the Union in general.

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