

THESSALONIKI AND AFTER (I) THE EU'S BALKAN AGENDA

I. OVERVIEW

The EU-Western Balkans Summit to be held in Thessaloniki on 21 June runs a real risk of discouraging reformers and increasing alienation in the Balkans, unless European policies towards the region are substantially enriched.

The current EU policies – the Stabilisation and Association Process (Sap), and the Stability Pact – were established in the uncertain days of 1999, immediately following the Kosovo crisis. They combine a standard set of bilateral initiatives with exhortations to the states of the region to cooperate with each other more.

An effective strategy for stabilisation of the Western Balkans and their integration into the EU should be based on the following elements, enabling all entities to be fully included, but allowing each to proceed at its own pace, with none feeling that they are being held back by the slowness of others:

- An unambiguous commitment should be made that the countries of the region will be welcomed as EU members once the established criteria are fulfilled. The states and entities should be afforded pre-accession status, notwithstanding that actual accession negotiations will begin at different points, depending on the individual circumstances of each case.
- The financial commitment to the region should be increased, such that the countries and entities concerned are not disadvantaged in comparison with the current EU membership candidates.
- Assistance to the region should be tied to a clear program of benchmarks for reform, worked out in partnership between the EU and the countries themselves, with regular

assessment and the application of strict conditionality, within the framework of European Partnerships,¹ which should be regarded as the cornerstone of the Sap.

- The European Partnerships should be applied flexibly, dealing with central, regional or local levels of government, as appropriate. As such, they should be applied to each country and entity in the region, notwithstanding the fact that some of them have yet to define their ultimate status. The Sap Tracking Mechanism should be incorporated into the European Partnerships approach, so that Kosovo would be at no disadvantage within the Sap on account of its unresolved status.
- The Western Balkan states should be given the option of customs union with the EU in advance of membership.
- Twinning arrangements for EU and Balkan civil servants should be introduced, with due regard to lessons learned from past experience.
- EU states should make a commitment to move to a more relaxed visa regime for citizens of Balkan states.
- The EU should make serious efforts to improve its own outreach to the politicians of the region, and to the populations as a whole.
- The EU should continue to build on its security role in the Western Balkans – most notably its military mission in Macedonia and its police mission in Bosnia – particularly in the fight against corruption and organised crime.
- The EU must plan to resolve the outstanding status issues sooner rather than later.

¹ Originally “European Integration Partnerships” in the Commission’s 21 May Communication, these were renamed “European Partnerships” by EU foreign ministers (General Affairs and External Relations Council) on 16 June 2003.

II. THE LEAD PASSES TO THE EU

It was always anticipated that the United States, having led decisive international intervention in the Western Balkans in 1995 and 1999, would reduce its role in the region, leaving the leadership role to the Europeans. The events of September 2001 and the 2003 campaign against Iraq made it clear that the U.S. now has other priorities. The EU's role in conflict resolution in Macedonia in 2001, its subsequent deployment of its first ever peace-keeping mission there, its role in brokering the new deal between Serbia and Montenegro in 2002, and its assumption of leadership in the international police mission in Bosnia in 2003 demonstrate that it, as an institution, is increasingly able to pick up that challenge.²

The EU's coming enlargement has, however, highlighted the gap between the Western Balkan countries and the ten states due to join in 2004. The wars of the region have left a particularly acute legacy of economic implosion, poorly functioning institutions and a host of disputes over issues such as territory and ethnic minorities. Unless these problems are tackled head-on, the region risks slipping into a vicious cycle, in which instability is merely contained, and the full realisation of the European perspective now opening up for other Eastern European states appears no more than a far-off dream.

The EU's importance in the Western Balkans is not surprising. EU membership is the key element that has already succeeded in stabilising the former Soviet bloc countries, with their borders of brief historical lifespan and (in some cases) ethnic minority problems. For the EU, there is an inevitable long-term interest that is not present for the U.S. The mantra "in together, out together", so usefully deployed to prevent premature US withdrawal, is now beginning to look a little frayed as it becomes clearer that for the Europeans, there is no "out", no exit strategy for the Western

Balkans. But the most fundamental problem of credibility faced by the EU there is that the goal of the entry strategy, EU membership, is still a distant one.³

The EU's existing policies for the region were established in the launch of the Stabilisation and Association process in 1999, augmented by the Zagreb Summit in 2000. The current debate has been generated by the desire of the Greek EU presidency to repackage the policy and inject some new life into it at the Thessaloniki Summit in June 2003. The eagerness of the Greeks to make progress on this issue has been met with some resistance by those member states who feel most responsible for the current set of policies and who are reluctant to admit any need for improvement. But it is generally recognised that this year's succession of Greek and Italian EU Presidencies may be the last occasion – absent another serious crisis – to set the agenda for the Western Balkans for a number of years.

At the beginning of its six-month EU presidency, in January 2003, Greece made stepping up efforts to rebuild the Western Balkans a key priority.⁴ The European Commission has responded with a substantial set of proposals for a more vigorous EU agenda.⁵ In this briefing, the ICG adds its voice to those urging that levels of EU assistance to the region be maintained and more clearly focused so as to meet the developing challenges of the countries concerned.

The EU should use this opportunity to make an unambiguous commitment that the countries of the region will be welcomed as EU members once the criteria are fulfilled. The states and entities of the region should be afforded pre-accession status,

² The shift of leadership from the U.S. to the European Union is discussed by Mort Abramovitz and Heather Hurlburt, "Can the EU Hack the Balkans? A Proving Ground for Brussels", *Foreign Affairs*, September/October 2002. Further discussion at length can be found in "Balkans 2010: Report of an Independent Task Force", sponsored by the Council on Foreign Relations Center for Preventive Action, 2002.

³ For discussion of this point, see Wim van Meurs and Alexandros Yannis, "The European Union and the Balkans: From Stabilisation Process to Southeastern Enlargement" (CAP/ELIAMEP, September 2002); and Othon Anastasakis and Dimitar Bechev, "EU Conditionality in South East Europe: Bringing Commitment to the Process", South East European Studies Programme, European Studies Centre, St. Antony's College, Oxford, April 2003, www.sant.ox.ac.uk.

⁴ See Greece's "Working Document: Greek Presidency Priorities for the Western Balkans", 13 January 2003, which can be found at http://www.mfa.gr/english/foreign_policy/europe_southeastern/balkans/priorities.html.

⁵ See "The Western Balkans and European Integration: Communication from the Commission to the Council and the European Parliament", COM (2003) 285, 21 May 2003.

notwithstanding that actual accession negotiations will begin at different points, depending on the individual circumstances of each case. The EU's commitment should be matched by financial assistance such that the region is not disadvantaged in comparison with other pre-accession countries.

Membership of both NATO and the Council of Europe is largely determined by political considerations, with the potential member state's military capability or human rights record being significant but not decisive factors.⁶ Membership of the European Union is quite a different matter, requiring a candidate to demonstrate convincingly that it is capable of assuming the burdens and responsibilities of membership as well as absorbing the benefits. The dynamics and implications of the EU accession process are not yet widely understood in Western Europe, let alone in the Western Balkans. There follows a brief review of the fundamentals.

III. WHO CAN JOIN THE EU?

Article 49 of the Treaty on European Union states that "Any European State which respects the principles set out in Article 6(1) may apply to become a member of the Union." Article 6(1) states that "The Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law, principles which are common to the Member States." For the ten Central and Eastern European countries, these conditions were expanded in 1993 at a summit in Denmark by what has become known as the "Copenhagen criteria":

- stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and, protection of minorities;
- a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the [European] Union;

⁶ To take the most obvious examples, Iceland, with no army at all, was a founder member of NATO. Several of the more recent members of the Council of Europe – including Serbia and Montenegro, which was actually under a state of emergency when admitted on 3 April 2003 – were admitted to that organisation despite clearly sub-standard human rights regimes.

- ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union.

The Copenhagen criteria are notably somewhat tougher than the minimum standards of Article 6(1). However Article 49 of the Treaty goes on to make it quite clear that the European Council (i.e. the governments), after consulting the Commission and the European Parliament, can set what conditions it likes. The Copenhagen criteria are, therefore, not a Treaty requirement, but a specific political task set by the EU for the former Socialist applicant states.

Some optimists in the Western Balkans have expressed hopes that the Copenhagen criteria could be watered down, or indeed waived completely, in order to accelerate their own countries' integration. This is most unlikely to happen. The Copenhagen criteria have become a fundamental part of the EU's doctrine, and were retrospectively applied to the applications of Malta, Cyprus and Turkey.

In fact, it is increasingly apparent that the EU expects the Western Balkan states not only to satisfy the Copenhagen criteria, designed for their northern and eastern neighbours, but also the new and rather nebulous requirement of "regional cooperation", which will be examined in greater depth below. Also, of course, those subject to its jurisdiction are expected to cooperate fully with the war crimes tribunal in The Hague, and the various peace agreements of Dayton, Erdut, and Ohrid and UN Security Council Resolution 1244 must be honoured in full.⁷

It took Slovenia and the three Baltic states twelve years from independence in 1991 to signing the EU accession treaties in 2003. Poland, the Czech Republic, Slovakia and Hungary had a slightly earlier starting point, in 1989, but have ended up at the same date. Bulgaria and Romania, where arguably the political transition was delayed or stalled, will not join the EU before 2007. Of the Western Balkan states, only Croatia has any faint chance of satisfying the EU's established criteria by then.

⁷ The 1995 peace agreements in Dayton and Erdut ended the conflicts in Bosnia-Herzegovina and Croatia respectively. The 2001 Ohrid Agreement ended that year's conflict in Macedonia. UN Security Council Resolution 1244 ended the Kosovo conflict in 1999.

This is very serious. It means that EU membership remains at least two elections away for most of the Western Balkan countries. In the meantime, the only concrete step that can be taken is the signing of the EU's Stabilisation and Association Agreements with each of the Balkan states.

IV. THE STABILISATION AND ASSOCIATION PROCESS

The current EU applicant states, including Turkey, all have Association Agreements with the European Union that cover trade-related issues, adoption of the EU's *Acquis* (the laws and regulations already accepted by EU member states) and other areas of cooperation, including industry, environment, transport and customs. The Central and Eastern European countries' agreements were called Europe Agreements and also included a formal structure of political dialogue, between the European Council and the respective governments on one level and between the European Parliament and the national parliaments on another. The Europe Agreements were specifically seen as a step on the path to membership.

For the Western Balkan countries, another type of agreement is envisaged – the Stabilisation and Association Agreement (SAA), as a part of the Stabilisation and Association Process (SAP). These agreements are much the same as the Europe Agreements, with two main differences: there is a section on cooperation on Justice and Home Affairs issues (which has been much developed as an EU competence since the Europe Agreements were signed in the 1990s), and the countries of the region are required to affirm their commitment to regional cooperation.⁸

The key incentive to participate in the Stabilisation and Association Process for the countries of the region is the prospect of eventual EU membership. By fulfilling the conditions of the SAA, the countries adopt EU standards, bringing themselves closer to the membership goal. The EU's commitment to helping the region along that path is reinforced by the economic assistance distributed

through the CARDS (Community Assistance for Reconstruction, Development and Stabilisation) program. Further, the EU unilaterally liberalised its trade regime with the countries of the Western Balkans, offering access for most goods, with the exception of some agricultural products. The promotion of trade relations, including bilateral agreements among the countries of the region, is a key element of the SAP. The aims go beyond promoting prosperity, as developing trade relations is seen as a way of normalising relations among states and building wider stability.

An important attraction of the SAP for the countries of the region was the stress on flexibility, so that each would be able to proceed along the path to EU integration at its own pace, without the risk of being held back by regional laggards. The EU stresses that the conditions that need to be met are the same for all. But at the same time the emphasis on flexibility acknowledges the very different circumstances of the countries in the region. Macedonia was the first to sign an SAA, at the EU-Western Balkans Summit in Zagreb in November 2000, and was followed the next year by Croatia. These agreements are now staggering through the process of ratification by the parliaments of the fifteen EU member states. Negotiations with Albania on an SAA began in early 2003 and are expected to conclude early in 2004.

Formally, the negotiations on the agreement itself have to be preceded by a Feasibility Study carried out by the European Commission, which reported favourably on Macedonia in 1999, favourably on Croatia in 2000, and favourably on Albania in 2002 (after an unfavourable first Feasibility Study in 1999). No Feasibility Study has yet been started for Serbia and Montenegro; the process has been initiated for Bosnia.

Negotiations with Serbia and Montenegro were held up for some time because of the unresolved constitutional situation between the two republics. There is now a danger of further delays being caused by disagreements between the Serbian and Montenegrin governments over fundamental matters of policy, such as customs tariffs, which the EU insists must be harmonised before any negotiations on any agreement can begin – or at least a credible timetable for harmonisation must be in place for a favourable Feasibility Study, which

⁸ For a summary of the approach developed by the EC to implement the SAP, see the Commission's web page: http://europa.eu.international/comm/external_relations/see/actions/sap.htm.

could then lead (fairly quickly) to a Stabilisation and Association Agreement.⁹

Kosovo was represented (in the form of UNMIK) in the early stages of the Serbia and Montenegro part of the process, but is in some danger now of falling through the cracks. The Stabilisation and Association Agreements are signed with sovereign states, so there will be no separate SAA for Kosovo unless it becomes independent. The European Commission will recommend that any SAA signed with Serbia and Montenegro should be suspended with regard to Kosovo while UN Security Council Resolution 1244 remains in effect.

For Bosnia, there was a real reluctance in some EU quarters to proceed too rapidly with a Feasibility Study at this stage, because the report would probably be unfavourable. Of course, the example of Albania demonstrates that even an unfavourable report can be a useful guide for the necessary reforms to be put in place in order to get a more favourable report a year or so later, and the Feasibility Study has thus begun.¹⁰

V. IS THIS ENOUGH?

If Croatia hands over all those indicted by the war crimes tribunal, and if it demonstrates a more serious commitment to allowing and facilitating the return of Serb refugees – two big ifs – then the government's proposed date for EU membership in 2007 is not utterly impossible, provided that it also does the difficult homework of European integration. In other words, there is a small chance that the winner of the Croatian parliamentary elections due in the next twelve months could be sitting on the European Council by the end of his four-year term of office. It is however more likely that 2007 will see Croatia negotiating membership with a view to joining the EU two or three years later.

None of the other Balkan countries can expect to progress so rapidly. EU External Relations Commissioner Chris Patten put it this way in a speech to ICG in 2001:

My hope and my aim is that children starting at primary school today in Albania, in Bosnia, in Croatia, in the former Yugoslav Republic of Macedonia and in the Federal Republic of Yugoslavia, will, when they come to leave school, be living in countries – their own countries – that are radically changed for the better; prosperous, stable European democracies, at peace with each other and at peace with themselves, either members of the EU or well on the road to membership.¹¹

An optimistic time scale for EU membership for Serbia and Montenegro (together or separately) must be considered to be 2010 at the very earliest, and likewise for Macedonia and for Albania assuming that absolutely everything goes right. The Bosnian government has committed itself to EU membership by 2009, which is simply unrealistic while fundamental problems of state-building remain. Perhaps 2015 could be given as an optimistic earliest possible EU accession date for Bosnia, and for Kosovo should it become independent.

Then the question is, how can interest in European integration be maintained across several electoral cycles, when the ultimate prize is so distant? What incentive do politicians have to engage in painful economic and social transition, knowing that the rewards will be reaped by their successors? What can be done to prevent the Balkan peoples and their leaders from concluding that the EU is not serious, and slipping into isolationism and perhaps even renewed conflict?

VI. A MORE VIGOROUS APPROACH

Full EU membership is a long way off for most of the Balkan states. On the other hand, except for Bosnia, the cycle of Stabilisation and Association Agreements is likely to be complete by the end of 2004. Some kind of interim goals, milestones on the way to EU membership, must be established in order to keep up motivation for the political elites

⁹ See the companion ICG Balkans Briefing, *Thessaloniki and After (III) The EU in Serbia, Montenegro and Kosovo*, 20 June 2003.

¹⁰ See the companion ICG Balkans Briefing, *Thessaloniki and After (II). The EU and Bosnia*, 20 June 2003.

¹¹ "EU Strategy in the Balkans", speech to the International Crisis Group, Brussels, 10 July 2001, available at http://europa.eu.int/comm/external_relations/news/patten/sp_balkans.htm.

and so that they can demonstrate to their citizens that they have made solid gains.

An unambiguous commitment should be made at the Thessaloniki summit by the EU that the countries of the Western Balkans will be welcomed as EU members once the criteria for membership have been fulfilled (those criteria including, of course, full cooperation with the ICTY and compliance with the various peace agreements).

The Commission's proposed **European Partnerships** have the potential to add a good deal of substance to the Stabilisation and Association Process, by setting clear targets for both the EU and the Western Balkan states. They should entail clear benchmarks for reform, worked out in partnership between the EU and the entities themselves, with regular assessment and the application of strict conditionality.

The European Union's **financial assistance** program for the Balkans, CARDS, was originally front-loaded to take account of the need for reconstruction in the immediate post-conflict situation.¹² This means that in the next few years, before 2006 when the new EU budget cycle starts, the amount of EU money going into the Western Balkans per capita will be far less than the aid that was given to the states which are due to join in 2004. By contrast, the accession countries stand to benefit from much higher levels of structural funds.¹³

¹² According to EC data, the CARDS allocation for Serbia has actually risen, from some 194 million Euros in 2001 to 229 million Euros in 2003, while that for Montenegro has dropped slightly in the same period from 16.3 million Euros to 13.5 million Euros. For Kosovo, the CARDS allocation has dropped from 316 million Euros to 53 million Euros in the same period. Information, last updated on 16 April 2003, from EC web page: http://europa.eu.international/comm/europeaid/projects/cards/financial_en.htm. The 2003 allocation for Montenegro, in comparison with that for Serbia, reflects the former's relative size but is inappropriately meagre. Given the new joint state's highly decentralised set-up, Montenegro's needs for capacity building, relative to the needs of Serbia, are greater than reflected in the relative sizes of the two republics. One result is that Montenegro relies much more heavily on the more generous assistance that it receives from the United States.

¹³ On the disadvantages facing countries that are left outside the process of EU enlargement, see Heather Grabbe, "The Effects of EU Enlargement on the Countries Left Outside", in The Economist Intelligence Unit,

It seems wrong and short-sighted that the countries which are the most unstable and the most in need of development assistance should be penalised in terms of lower assistance precisely because they are so problematic.

The advantage for accession countries of higher assistance levels is compounded by the benefits gained from accelerated reform in preparation for accession. Further, the way in which EU cohesion assistance has been disbursed, with an emphasis on local partnership in identifying needs and co-financing with recipient countries, has helped build local capacity. The disadvantageous position of the left-out countries is further compounded, as foreign direct investment tends to flow much more strongly to those countries that are close to accession, reforming successfully and overcoming the structural problems inherited from communism. Thus, the left-out countries risk finding themselves in a vortex of failure.

If the European vocation of the Balkan states is a serious policy goal, then there should quite simply be more money in the pot. The CARDS assistance is to be devoted largely to governance issues over the next few years. The concentration on institution-building is of course important. But the EU seems to expect that others will take care of the investment in infrastructure and education that is also essential for the region's long term development. What is the use of having a beautifully developed administration in Sarajevo when the capital is so poorly connected by road to its neighbouring countries? Whether or not the cohesion model advocated by the European Stability Initiative is adopted, the need for more assistance in these areas is obvious.¹⁴

The focus of the European Agency for Reconstruction should be moved away from post-conflict reconstruction towards cohesion and restructuring, assisting the authorities to achieve the benchmarks set within the framework of the European Partnerships

Economies in Transition: Eastern Europe and the Former Soviet Union - Regional Overview (June 2001).

¹⁴ The European Stability Initiative has addressed the economic dimension comprehensively in "Western Balkans 2004: Assistance, Cohesion and the New Boundaries in Europe" (3 November 2002) and "The Road to Thessaloniki: Cohesion and the Western Balkans" (12 March 2003). See www.esiweb.org.

One policy area where a more liberal approach has already been partially adopted by the EU and by the states of the region is **trade**. The eight countries in the Stability Pact (the five Western Balkan states, Romania, Bulgaria and Moldova) have already signed 21 bilateral free trade agreements, creating a free trade zone within the region. On the EU's side, autonomous trade preferences were extended to the five Western Balkan countries in June 2000, meaning that most of their exports to the EU are no longer subject to tariffs. The Stabilisation and Association Agreements envisage trade barriers being scaled down also in the other direction, i.e. for EU goods imported into the Balkans.

It is not vigorous enough. Even the European Commission admits now that the Balkan countries are not taking sufficient advantage of the autonomous trade preferences; Balkan entrepreneurs prefer to declare their goods as if they came from a third country rather than undergo the process of satisfying the EU's rules of origin. This must be changed.

Additionally, free trade within the region is all very well, but the fact is that these are small economies with much the same specialisations. The real prize is free trade with the EU, and at present that seems not to be envisaged except under the rather slow terms of the Stabilisation and Association Agreements. The Thessaloniki Summit must make clear what the envisaged timetable is for the future development of trade relations between the EU and the Western Balkans.

As a signal that its ultimate EU membership was a serious if long-term prospect, Turkey and the EU formed a customs union in 1996. For those Balkan countries whose administrative arrangements can be made adequate and who wish to pursue the option, there should be a prospect of likewise forming a customs union with the EU in advance of full membership.

It is interesting that the EC proposed to strengthen **twinning** arrangements in the Balkans on the same day that the European Court of Auditors issued a fairly damning assessment of the program thus far.¹⁵ The court found that twinning projects had produced progress in the adoption, but less in the

implementation and enforcement of EU laws and practices. It also pointed out that the experts who were seconded tended to spend too much time administering the project – to the detriment of their main task of advising candidate countries' officials.¹⁶

In designing twinning projects for the Western Balkan countries, the EC should take into account the shortcomings identified by the Court of Auditors. As elsewhere, the payment of EU experts at a daily rate that may exceed the monthly salary of the officials among whom they will work is a sensitive issue, since the local perception will be that assistance intended for the recipient country is in fact serving as a system of outdoor relief for already rich foreigners. This makes it essential that the money invested should be seen to be benefiting local civil servants: enhancing their skills and knowledge, and providing them with vital experience of professional and disinterested administration. For this reason, bureaucrats from Western Balkan countries should also be seconded to EU states, and/or sent on funded training courses abroad.

Perhaps the most visible sign of the European vocation of the people of the Balkans would be some relaxation of the **visa regime** for visitors to Western Europe. The EU is still smarting to an extent from its granting of free travel to Romanian citizens in 2002. But it is not necessary to move immediately to that position for all the Western Balkan states. It should be possible to set up, on the one hand, a system of benchmarks for the national administrations to fulfil in order to qualify for visa-free access to the EU. At the same time, existing schemes for short to medium term visits, whether for study or for employment – including also employment in the EU's own institutions – should be increased.

¹⁵ Twinning involves the secondment of civil servants from EU states to work as advisers to receiving institutions. TAIEX (Technical Assistance Information Exchange Office) helps candidate countries cope with incorporating the *acquis*.

¹⁶ See Special Report No. 6/2003, *Twinning as the Main Instrument to Support Institution-building in Candidate Countries*, 21 May 2003, www.eca.eu.int. Before February 2002, there were 503 twinning projects, which ran on average for eighteen months and cost 1 million Euros each. (Experts were paid about 400 Euros per day from project funds allocated to candidate countries.) Take-up among the ten accession countries varied from 104 projects in Poland to just one in Cyprus. Candidate states were most interested in projects designed to instruct them in applying for and using EU Preparation and Structural Funds, as well as projects in the domains of public finance and internal market, justice and home affairs, and agriculture and fisheries.

Emigration is an important safety valve for unemployment, and the transfers of funds from relatives abroad are a vital component of the economies of the Western Balkans. In addition, it is noticeable that those countries in Western Europe which have made the most striking advances economically since joining the EU – Ireland and Portugal – were able to do this because of the skills brought back by members of the diaspora returning to take advantage of newly liberalised economies. The “brain drain” is not really something to fear, at least in the medium to long term. Also in the medium to long term, of course, the Western European states will need to import considerable numbers of workers in order to compensate for likely labour shortages and to keep their social security systems going.

Political dialogue between the EU and the applicant states is going to be crucial in developing the European consciousness of the political elite. It has already had one unexpected dividend, in that the agreement between government and opposition to find a single candidate for the election of the new Albanian president in 2002 was largely driven by the relations between the Albanian political parties and the European Parliament (a body with limited formal foreign policy responsibility). But it will need to develop a lot further, with frequent exchanges of visits between ministers, officials and parliamentarians.

The EU's public relations outreach in the region has not been fantastic. There have been some visible exceptions – particularly in Serbia and Croatia, where there were already strong European Movements before the 1990s. But in some parts of the Western Balkans, the EU seems only to appear when there is a crisis to be resolved. It would be good to see senior European politicians and officials writing articles for the Western Balkan press and appearing on electronic media, not just explaining the Stabilisation and Association Process (or its successor) but also talking about the bigger European picture. Greek Foreign Minister Papandreu's tour of capitals at the start of his country's presidency was a successful example of the kind of positive publicity that can be generated by such initiatives. It should not be allowed to remain a one-off event.

Regional integration has been one of the declared priorities of the European Union. Commitment to it has effectively been added to the Copenhagen

criteria as a condition for the Western Balkans to move forward in the membership queue. It has proved a rather difficult concept to operationalise. The states concerned vary in their levels of economic development and have naturally different interests. In addition there is suspicion in some quarters of being lumped into a single category, of recreating Yugoslavia, plus Albania, minus Slovenia, a suspicion that has on occasion been fed by foolish remarks from old politicians.

In fact the successful examples of regional cooperation often involve only a subset of the Western Balkan five, and always include other states. Examples include the Sava Agreement which includes Montenegro; the regional electricity market plan, launched by Greece and involving also Bulgaria, Romania and Turkey; and the free-trade arrangement mentioned earlier, which includes Romania, Bulgaria and Moldova. Provided that regional cooperation is sold as a means of the Western Balkan states integrating with all their neighbours, not just each other, it can be a liberating concept. Unfortunately it is not always sold in this way, and some silly ideas – such as the idea of a Balkans-only customs union, or a Balkans-only visa-free zone – occasionally creep under the official radar screen.

Meanwhile the institutional embodiment of regional integration, the Stability Pact for South Eastern Europe, has adopted a welcome low profile and now appears to have reinvented itself as a behind-the-scenes mediator between other international actors. It still has a long way to go to restore the credibility that was lost in its first years of bombast and hyperbole, when much effort was wasted in institutional infighting with the European Commission, but may be worth salvaging in the medium term.

The European Union is playing an increased and increasingly credible **security** role in the Balkans. There is now an EU Police Mission in Bosnia and the first ever EU military mission in Macedonia; it seems entirely possible that the EU will take over from NATO as the peacekeeping authority in Bosnia some time in 2004.

This is, of course, a post-crisis “hard security” presence. The “soft security” of assistance with policing and the fight against organised crime and corruption is equally vital, and equally an interest of the EU. There should be increased programs to help with police reform and with the reform of the

judiciary. The presence of a competent and honest judicial system in the Balkans should be seen by the EU as a matter of vital interest, and assistance should include substantial contributions to the salaries of properly appointed and trained judges.

The EU is, like it or not, going to find itself with an important role to play in resolving the remaining **status issues** in the Balkans. It has already brokered a deal between Serbia and Montenegro, which some optimists believe may last the whole of the three-year period envisaged in the Constitutional Charter. It is, of course, correct to insist that both Serbia and Montenegro honour the commitments they have made to each other and to the international community, and there may be some merit in the argument that by postponing any “velvet divorce” for several years, the chances of instability in the region have been reduced. But it does not look like a particularly durable solution.¹⁷

Kosovo presents problems of quite a different order. The international community has been reluctant to move forward on resolving the final status issue on the grounds that the residents of the province themselves are not ready and that any of the likely solutions could have destabilising effects on the rest of the region, notably in Macedonia and Bosnia. This attitude risks allowing the pace of the process to be driven by extremists on the ground.¹⁸

The silliest of the status issues in the Balkans, alas, seems unlikely to be changed by the Thessaloniki Summit. Both Albanian and Macedonian sides in the negotiations leading to the Ohrid Agreement put the international recognition of their country's name at the top of their list of demands. While the absurd term “FYROM” remains in use, it is not just Macedonia's European vocation but also the very viability of the country that is made to look incredible. Unfortunately, it seems that may have to wait for another day.¹⁹

VII. IS THIS THE RIGHT TIME?

Some in the EU have argued that opening any of these status issues may cause the whole issue of the borders of the Balkan states to gain in prominence, leading to further chaos and conflict. It is important to emphasise that what is in question is not the redrawing of borders, but the changing of the status of existing borders between Serbia, Montenegro and Kosovo. For that reason also, no encouragement should be given to any concept of partitioning Kosovo.

But the question of timing has a wider application. Some in the EU argue that it is simply wrong to try and set benchmarks for the performance of the Western Balkan countries which could lead to free trade or customs union with the EU, visa free travel, or the start of membership negotiations. This is simply absurd. All responsible government officials in the Balkans are aware that the road ahead is a long one, but the more clearly it is mapped out in advance, the easier it will be to believe that the destination is real and not illusory. The carrot of EU membership is a distant one, but honesty about the distance that must be travelled is surely the best policy. Even if the Thessaloniki Summit proves disappointing to the expectations that had been raised earlier in 2003, it is important that it be clear and substantial about what is required.

Brussels, 20 June 2003

¹⁷ See for instance ICG Balkans Report N°142, *A Marriage of Inconvenience: Montenegro 2003*, 16 April 2003.

¹⁸ See in particular ICG Balkans Reports N°124, *A Kosovo Roadmap: I. Addressing Final Status*, 1 March 2002 and N°125, *A Kosovo Roadmap: II. Internal Benchmarks*, 1 March 2002.

¹⁹ See ICG Balkans Report N°122, *Macedonia's Name: Why the Dispute Matters and How to Resolve It*, 10 December 2001.

APPENDIX A

ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (ICG) is an independent, non-profit, multinational organisation, with over 90 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

ICG's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, ICG produces regular analytical reports containing practical recommendations targeted at key international decision-takers.

ICG's reports and briefing papers are distributed widely by email and printed copy to officials in foreign ministries and international organisations and made generally available at the same time via the organisation's Internet site, www.crisisweb.org. ICG works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The ICG Board – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring ICG reports and recommendations to the attention of senior policy-makers around the world. ICG is chaired by former Finnish President Martti Ahtisaari; and its President and Chief Executive since January 2000 has been former Australian Foreign Minister Gareth Evans.

ICG's international headquarters are in Brussels, with advocacy offices in Washington DC, New York, Moscow and Paris and a media liaison office in London. The organisation currently operates twelve field offices (in Amman, Belgrade, Bogota, Islamabad, Jakarta, Nairobi, Osh, Pristina, Sarajevo, Sierra Leone, Skopje and Tbilisi) with analysts working in over 30 crisis-affected countries and territories across four continents. In *Africa*, those countries include Burundi, Rwanda, the Democratic Republic of Congo, Sierra Leone-Liberia-Guinea, Somalia, Sudan and Zimbabwe; in *Asia*, Indonesia, Myanmar, Kyrgyzstan, Tajikistan, Uzbekistan, Pakistan, Afghanistan and Kashmir; in *Europe*,

Albania, Bosnia, Georgia, Kosovo, Macedonia, Montenegro and Serbia; in the *Middle East*, the whole region from North Africa to Iran; and in *Latin America*, Colombia.

ICG raises funds from governments, charitable foundations, companies and individual donors. The following governments currently provide funding: Australia, Austria, Canada, Denmark, Finland, France, Germany, Ireland, Japan, Luxembourg, The Netherlands, Norway, Sweden, Switzerland, the Republic of China (Taiwan), Turkey, the United Kingdom and the United States.

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