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This issue of the European Balkan Observer examines the European Integration process region-wide and includes from the perspective of Europeanization,

state building and security. A country study focuses on Bosnia-Herzegovina. Wim van Meurs takes stock of the progress in the European Integration process over recent years. He argues that while the region has moved from instability and conflict, more realism is needed in assessing the prospects for European integration. In particular, the state-building strategies in the region are not always fully compatible with the wider European integration process. Leeda Demetropoulou details the challenges to the Europeanization process in the Western Balkans and suggests that the integration perspective alone is insufficient to accomplish the transformation of the region. Dimitar Bechev examines the security challenges in the region. Echoing Wim van Meurs, analysis, Bechev suggests that while the risk of wars and armed conflict have obviously subsided; the weakness of states across the region

continues to constitute an enduring security challenge.

Bosnia-Herzegovina, a prime example of a weak state, is the topic of Christophe Solioz's article on the countries European Integration process. He argues that significant progress has been made in recent years in transforming the international into a European presence in Bosnia which will allow for a smoother participation in the European Integration process. At the same time, he warns that this shift did not resolve the fundamental lack of ownership of Bosnians over the integration process.

We hope you enjoy this issue of the European Balkan Observer. As always, comments and contributions are welcome!

Florian Bieber

## Rethinking the Balkans. Incongruities of State and Nation Building, Regional Stabilization and European Integration

By Wim van Meurs

### Root Causes and Future Prospects

The outcome of the elections in Serbia and the recent violence in Kosovo have demonstrated dramatically, albeit not unexpectedly, that the passing of time and intensive international involvement have failed to alleviate nationalist obsessions among protagonists of the Serbian and Albanian questions in the Western Balkans. Together with socio-economic stagnation, resilient nationalism in Serbia and the aggressive disturbances in Kosovo constitute a vicious circle. Radicals determining the political agenda corner moderates and reform politicians. The eventual discrediting of these nationalist agendas is bound to waste many more valuable years in addition to the lost decade of the 1990s.

Contrasting views on the prospects, time frames and the necessary strategies to bridge the current gap between the Western Balkans and the enlarged Europe of Twenty-five are premeditated by diverging assessments of root causes and regional specifics. Views range from the assumption that the real evil genius is the Balkans' bad reputation of ethnic strife and backwardness to the claim that either the violent disintegration of Yugoslavia or structural historical factors reaching back to Ottoman times got the Balkans off the beaten track of post-communist transition.

The recipes for success vary accordingly. Some

would argue that the Balkan countries have to be treated as normal transition countries in need of some additional resources, patience and support to catch up. Catching up usually begins with nation and state building much along the lines of what other European nations accomplished one or more centuries ago. Others would object that the Balkans seems to be rather oblivious to the application of the standard instrument of transformation and association assistance. Arguably, Croatia was destined to make it, with or without international guidance and assistance, whereas intensive international engagement has failed to achieve a decisive breakthrough in Kosovo or Bosnia-Herzegovina. The culprit for the disparities within the region may be either the more massive and unresolved conflicts of the 1990s, the modernization gap Yugoslav socialism failed to eradicate or the inadequacy of the current international regimes in Sarajevo and Prishtina.

In line with diverging assessments of root causes and future prospects opinions on international assistance and guidance tend to diverge too. If the consolidation of the Balkans is considered the basis of the process of emulation and catch-up that must be allowed to run its course, (too much) international interference seems inappropriate. Others might argue that, considering the havoc they wrought in the recent past, the region re-

quires particularly comprehensive and intensive external interference in these processes of state and nation building. Historical lessons indicate that a constructive handling of ethnic confrontations requires a supranational authority. Both might agree that the deficits in good governance and economic development could be compensated for by additional assistance, infrastructure projects and foreign investment. Skeptics, however, persistently point to the unintended consequences of external assistance and guidance to weak states, ranging from aid dependency to political de-legitimization. The qualitative asymmetries between regional realities and European/international strategies consequently might result in part in vicious rather than virtuous circles.

Realities in the Balkans and Europe *anno 2004*, however, tend to be more complex and causalities less distinct. Neither the Ottoman legacies nor the ethnic wars of the 1990s can be considered in isolation. Similarly, "the Balkans" as a pejorative term is informed by realities in a historical region with some common traits, but also reproduces these perceptions and realities. Irrespective of all debates on culprits and causalities, what counts are strategic options of *hic et nunc* – in Europe and in the Balkans. The current constellation of a Balkan enclave in an enlarged European Union does not allow for a catch-

up of 19<sup>th</sup> century nation building or 20<sup>th</sup> century state building in selective isolation whilst striving to enter the mainstream of European political and economic transition on the brink of the 21<sup>st</sup> century.

### **State and Nation Building – the Learning Curve**

Nation and state building in the Western Balkans was marked by emulation of Western prototypes, combining the French model of the centralized state of citizens with the decentralized German nation-state and eventually territorializing ethnicity in multiethnic states. With the post-communist conflicts of the 1990s, external interference in processes of sovereign statehood achieved a new quality. Although regional stabilization as a guiding principal links Dayton to Belgrade and Ohrid to UNSC Res. 1244, the actual sovereignty arrangements for ethnically divided societies vary widely. The variety of arrangements demonstrates both the specificity of each case and the learning curve of the international community. Balancing the representation of *ethnos* and *demos* under the overall objective of a consolidated order of states is a 21<sup>st</sup>-century challenge that cannot be resolved by reference to and replication of classic Western modes of nation and state building. The Western ideal of multiculturalism was largely a response to the ethnic clashes in the Balkans. Throughout the 20<sup>th</sup> century, the ideal of the homogeneous nation-state and the invoking of conflicting historical and ethnical claims to certain territories

and populaces has equally failed to produce a consolidated outcome in the Balkans, to say the least.

Nation and state building does not allow for time warps and catch-up strategies if only because local constituencies have been exposed to political rhetoric deifying the territorialization of ethnicity and the homogeneous nation-state for decades and centuries. Irrespective of the question whether the political focus on national statehood is a root cause of state weakness and ethnic conflict or rather a compensation strategy for existing reform and legitimacy deficits, constituencies do matter. Surveys throughout the region indicate that socio-economic prospects constitute the key concerns of the populace. Unlike issues of national sovereignty, however, these socio-economic concerns and actual economic growth barely translate into reform constituencies. Reform governments tend to be democratically dismissed by the voters at the next elections and replaced by any political alternative, sometimes nationally oriented coalitions. Typically, nationalist parties are less exposed to the mood swings and frustrations of the electorate as their agenda of scapegoating and stirring up ethnic hatred is detached from the constraints and compromises of day-to-day policy-making.

### **Democratic and Territorial Ethnicity**

In the Balkans, neither the ideal of a democracy based exclusively on individual rights nor the rigorous implementation of national

self-determination provides the acclaimed silver bullet. Balancing a modest institutionalization of ethnicity with the strengthening of state functionality without provoking a cascade of new claims is the real litmus test of political acumen and farsightedness. As a matter of fact, current proposals for the territorialization of ethnicity in the Balkans relegates inter-ethnic cooperation and coexistence either to the level of informal local communities or to the level of international relations between sovereign states. The deadlocked Belgrade-Prishtina negotiations, the recent outburst of violence in Kosovo and the strenuous process of functional centralization in Bosnia bear witness to the persistent predominance of the ethnic principle. Contrary to common wisdom this predominance does not imply a "natural" inclination disqualifying the concept of a multiethnic state as such. Respect for and integration of minorities has to be the bottom line for any state with a credible claim to "European-ness." The actual implementation of this basic principle is not a matter of finding the magic formula, but rather of acknowledging that a degree of generosity in decision-making by the majority and constructive participation by the minorities are key.

Along the same lines, political will and vision – not the sophistry of legal or historical arguments – are critical to putting a halt to a Balkan cascade of new claims and actions triggering further state fragmentation and ethnic state building. As much as any change to the status quo of territoriality and sovereignty may be

interpreted as a precedent for other claims, it may also constitute a disincentive. Logically, each claim for ethnic self-government (statehood or autonomy) adds to the justification of similar claims by newly created ethnic minorities within newly created entities. The Kosovo Albanians' claim to independence adds to the Kosovo Serbs' claim to autonomy or partitioning. The Mitrovica concept of a further territorialization of ethnicity adds to corresponding temptations for Muslim, Albanian or Hungarian minorities in Serbia. There is no logical or "just" end to the spiraling logic of ethnic state fragmentation but state functionality and regional stability. These principles, however, hardly ever feature in the debated considerations and plans. The international community's learning curve started with the comprehensive institutionalization and proportionalization of ethnicity in Bosnia, while current wisdom (i.e. the Belgrade and Ohrid Agreements) cautions against minority vetoes and ethnic decentralization. Overall, recent experiences in democratization, decentralization, the institutionalization of ethnicity and resolving status issues have forcefully demonstrated the fallacies of replicating either Western models or Balkan traditions in the weak states and ethnically divided societies of the region.

### **The Next Decade – Conflicting Agendas**

Contrasting the current state of affairs in the region to the national and European strategies seems to indicate that agenda conflicts and idealized strategic

objectives persist on both sides. Incongruencies exist not only between the *European* strategic agendas of stabilization, transformation and integration, but also between the *national* agendas of statehood, transformation and European integration.

In the case of East Central Europe, stabilization was at most a sub-agenda of political and economic transformation. By the time EU integration and accession negotiations became the dominant issues on the political agenda, post-communist transformation had long passed the political point-of-no-return and the economic bottom. In the case of the Western Balkans, stabilization was the initial and high-priority agenda institutionalized in the Stability Pact. The parallel institutionalization of a Stabilization and Association Process represented the projected paradigm shift from reconstruction and crisis management to sustainable development and European integration. Thus, in the case of the Western Balkans stabilization, transformation and integration are three parallel, equally important and inextricably linked agendas. For a variety of reasons the transformation process lacks indigenous momentum. Objective and subjective reasons include the disadvantageous structural preconditions, the lost decade of the 1990s, unfinished state and nation building, weak statehood and hypertrophic popular expectations and the remoteness of the EU perspective. The EU, however, has proven its value as anchor and stimulus for an indigenous reform process,

but has not (yet) become a development agency in its own right. The trade-off between concentration of economic growth projects and stabilization-related distributive assistance essentially points in the same direction. Administrative capacities and thus absorption capacities for external assistance and guidance are a key deficit and hardly amenable to external remedies. Thus, rather than in *more* assistance, room for improvement has to be found in a better prioritization, targeting and more local ownership.

The EU, moreover, is likely to become more stringent in the interpretation and application of its accession criteria – partly because of the state of affairs in Southeastern Europe, partly because of deficits in the implementation of enacted laws in East Central Europe that will become apparent after accession. In fact, ICTY cooperation, the Dayton, Ohrid and Belgrade Agreements as well as minority protection and refugee return already constitute specific conditions for the Western Balkans. Typically, the EU continues to develop new policy areas that come with new standards to be met and new reforms to be implemented. "Europe" thus remains a moving target. At the same time, EU funding for the Western Balkans is typically "frontloaded" and decreases with basic stabilization and the completion of reconstruction. Funding is not likely to increase in the 2007-2013 budgets. Conversely, the ten new members; the two 2007 candidates with roadmaps and enhanced assistance; and Croatia with candidate

status will all take full advantage of the EU. The gap between the Europe of 28 and the Balkan enclave is bound to increase considerably.

Local political decision-makers may easily feel left alone with the incongruencies of the EU agendas of stabilization, transformation and integration. Despite the assumption of complementarity and synergies, they face hard choices concerning a plurality of instruments, conflicting options and unranked priorities. Local agendas of national statehood, transformation and European integration, however, tend to be incongruent, too. Insisting on a maximized option of ethnic statehood certainly jeopardizes both economic progress and EU integration for the region as a whole. The best integration instruments may or may not be equally effective and purposive for the key objectives of the development and transformation agenda. A premature implementation of the full EU *acquis* may unnecessarily limit policy options and waste political energy more urgently needed in transfor-

mation management. A generic European vocation shared by next to all parties in each country tends to obscure the basic conditions of EU integration and the incompatibility of some national agendas. Caught between seemingly unmovable counterparts both internationally (imposed conditionalities and directions) and domestically (illusory support bases and political consensus), the model of EU integration often seems more convenient than the hardships of the transition process.

If external factors are as vital for the future of the Western Balkans as most strategies have it, prospects are bleak, to say the least. Evidently, the time has come for a rethinking of strategies by and for the Balkans. The optimism generated by the apparent success of physical reconstruction and basic stabilization in the post-conflict phase is wearing thin. The paradigm shift from reconstruction to development, from stabilization to transformation and integration as well as the reproduction of the successful Eastern enlargement strategy in the

Balkans, however, raise a number of fundamental questions that have yet to be answered.

Europe's inclination to perceive and remodel the Balkans to its own image is as much in need of rethinking as the Balkans' inclination to treat Europe as expedient for local contradictions and incongruities.

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## Europeanization Potential and Accession Prospects in the Western Balkans

By *Leeda Demetropoulou*

In the 1990s literature on Europeanization flourished. Much of the debate was focusing predominantly on the way in which existing member states are being transformed. However, in the late 1990s, attempts were made to investigate the impact of association

and eventual EU membership upon the domestic spheres of candidate countries and particularly of former communist states in transition. In accordance with the broader mental framework of the Balkan / Europe incompatibility, the relevant discussion has

been confined in the CEEC and has not been extended to the Balkan countries. Prior to the Thessaloniki meeting, and within the euphoria of the last EU enlargement, many studies emerged concerning the prospects of a SEE enlargement and the po-

tential upgrading of the Western Balkans' status to that of candidacy. However, following the current EU practice, which makes accession conditional upon adaptation, the whole SEE enlargement discussion needs to be placed within the broader Europeanization adaptation debate. Accordingly, the following questions become highly relevant:

- 1 How does the EU conceptualize Europeanization within the context of the Western Balkans?
- 2 How does the EU promote (in case it does) the Europeanization of Western Balkans?
- 3 Do the Western Balkans have the capacity to achieve a EU-style Europeanization?
- 4 In case this capacity is missing, what alternatives exist for the Western Balkans outside the limits of a EU-style Europeanized continent?

### **Conceptualizing Europeanization: 'outward' or 'inward' looking?**

Europeanization literature demonstrates little consensus regarding the meaning, mechanisms and areas of appearance. What was common until the end of the 1990s among the majority of studies was the perception of Europeanization as self-contained; this perception proved misleading by the applicant states and soon a more 'outward looking' perception of Europeanization emerged. This perception of Europeanization combined with the transitional status of the concerned states, allows the conceptualization of Europeanization as an ex-

ternal (EU-led) process guiding those countries' complex domestic economic, social and political transformations. Within this framework, Europeanization has four different aspects in accordance with the Copenhagen membership criteria and the Madrid 1995 Council Conclusions: three general aspects (broadly defined *democratization* and respect of human rights, fully functioning *marketization* and *stabilization* of the political regime) and a more specific one (*adaptation* with the EU 'formal and informal rules, procedures, policy paradigms, styles, 'ways of doing things', and shared beliefs and norms').

The impact on the applicant countries by the EU can take place both voluntarily, through demonstration effects or the positive support of a wide range of social groupings, and coercively, with the deliberate use of control and conditionality. The evolution of the enlargement policy is indicative of the EU intention to promote, next to the general Europeanization aspects, the institutional, structural and policy adaptation of the CEEC to minimize post-accession tensions. Grabbe groups the mechanisms used instrumentally by the EU to effect change in the CEEC through conditionality into five categories: a) models (provision of legislative and institutional templates), b) money (aid and technical assistance), c) benchmarking and monitoring, d) advice and Twinning and e) gate-keeping (access to negotiations and further stages in the accession process). The last one is

argued to be the most powerful one.<sup>1</sup>

What about the Western Balkan states: Does EU-style Europeanization have the same content? Is it promoted in the same ways? Does the EU use the same mechanisms?

Following the recent example of the CEEC and the older example of countries such as Greece, for the Western Balkan states Europeanization means the consolidation of their newly established democratic regimes and the modernization of their administrative and economic structures. However, this does not automatically denote the simultaneous adoption of the EU practices and norms. For the EU, modernization and adaptation are the two sides of the same coin. In any case, the EU has not been involved in so much the promotion of adaptation in the region as in the encouragement of peaceful co-existence among different ethnic groups, the elaboration of basic democratic rules and the avoidance of new major crises. The EU sought to implement an 'incomplete' version of EU-style Europeanization that left aside the essential adaptation aspect.

The Western Balkan countries, though excluded from the enlargement process, have been subjected to conditionality, though a different and arguably more demanding one. Considering the five conditionality

<sup>1</sup> Heather Grabbe, 'How does Europeanisation affect CEE governance? Conditionality, diffusion and diversity,' *Journal of European Public Policy*, 8 (6), 2001, 1020.

mechanisms at work in the CEEC it is evident that in the Western Balkans three of them are in use (though to a lesser extent) while two of them are absent. The absence of gate-keeping is particularly damaging. Despite its Balkan inclusion rhetoric the EU is far from offering a visible membership perspective and this can be seen in both the aspects of Europeanization that it promotes and the unsystematic and often contradicting ways in which it uses conditionality. This inconsistency between rhetoric and actions increases disillusionment in the concerned countries and limits people support for reform thus further endangering political and economic reforms deepening the gap between the Western Balkans and the rest of Europe. This leads to a further disillusionment with the EU, which thus loses its capacity to influence developments in the region and subsequently to promote EU-style Europeanization.

### **Western Balkans and Adaptation Capacity**

Do the Western Balkans have the capacity to adapt their processes, policies and institutions to new practices, norms, rules and procedures originating from the EU system of governance? There is already sufficient evidence that they do even within a framework of limited guidance and exclusion (examples of executive adaptation, institution building to accelerate EU rapprochement, PHARE / OBNOVA / CARDS-led broader administrative reorganization, SAA induced networking, legal harmoni-

zation and policy adaptation in fields such as the environment and justice and home affairs). At this early stage in the Europeanization of the Western Balkans, it is difficult to predict with certainty how pervasive the process will be.<sup>2</sup> However, one could try to identify some of the regional conditions that hinder integration and potentially EU-style adaptation. These conditions mostly relate to the institutional and administrative capacity of the state and the nature of state-society relations. Very briefly these can be summarized as:

a) *Unresolved border issues*, inadequate laws and institutional capacities to deal with issues of illegal migration and cross-border crime;

b) *Corruption* of the public administration and subsequently criminalization of the economy and establishment of organized crime networks;

c) *Discrimination against minorities* and problematic relations between political center and minorities;

d) *Weak civil society* and limited organizational capacity of social actors;

e) *Weak states* (weak administrative capacity, lack of training and equipment, inability to implement the rule of law);

f) *Widening gap between governing elites and citizens* (corruption of public administration and decline of living standards and social benefits);

g) *Lack of reform constituency* (delayed privatization and marketization);

h) *Weak institutional capacity* (basic architecture of the state, intergovernmental relations, media and NGOs);

i) *Stagnation or decline of overall economic performance* (political problems, rural underdevelopment and industrial decline).

Some of the above conditions could be considered a Balkan 'prerogative', e.g. the unsettled border issues. However, putting this problem aside, most of the above conditions have also tantalized member states and the new CEE members. Indicatively, the Europeanization process was seriously impeded in countries like Greece, Portugal and Ireland by the lack of a well-trained, stable and impartial state bureaucracy and a vibrant civil society, as well as the limited institutional capacity. One could argue that after all the problems facing the Western Balkan states are not so alien to the EU.

To what extent has the EU provided assistance to the Western Balkan states to help governments minimize the impact of the above-mentioned conditions on the integration and adaptation attempts of their countries? Some of the confining conditions have been addressed, especially in Albania and the Republic of Macedonia but this has not been the case for Bosnia-Herzegovina, Croatia or

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<sup>2</sup> Daniel Phinmore & Dimitri Papadimitriou, 'Exporting Europeanisation to the wider Europe: the twinning exercise and administrative reform in the candidate countries and beyond', *Journal of Southeast European and Black Sea Studies*, 3 (2), 2003, 19.

Serbia and Montenegro. In fact the EU approach has been criticized for limited recognition of the weakness of public administration and of the scarce institutional capacity, limited understanding of the national contexts, poor government ownership, limited interaction with civil society etc.<sup>3</sup> In the post-SAP period it has been criticizing for incorrect sequencing by prioritizing EU integration sustainable economic, social and political transformation.

### **Moving towards a south-eastern enlargement?**

The Western Balkans are short of fulfilling the EU membership criteria and are still a long way from EU-style Europeanization, which in any case has only recently been promoted by the EU in the region. Considering the current enlargement practices, failing to meet the standards means the door will remain closed, the standards will be getting more complex and the Western Balkans will be drifting further away from the EU. Whether the EU has started promoting EU-style Europeanization in the region or not, what is clear is that it has purposefully abstained from providing the Western Balkan states with a visible accession horizon. Maintaining the current practices cre-

ates pressing problems in the region considerably hindering the effectiveness of the EU approach and its potential for the creation of a stable, multi-cultural and economically developing region either within the Union territory or at its borders. Regarding the broader orientation of SAP and its foreseen reinforcement serious problems of growing disillusionment and superficial adaptation emerge:

1) *Disillusionment with EU, democracy and elites*: up to date the EU mostly used negative conditionality in the region using more sticks than carrots and presenting membership as an unattainable commodity. Even if membership perspective is offered, the required adaptation will be so time-consuming that will unavoidably diminish the effectiveness of conditionality unless intermediate benefits are provided.

2) *Superficial adaptation*: it is useless to adopt legislation that cannot be enforced, build institutions that lack the human and financial resources to be democratic and effective, receive money that cannot be absorbed and directed towards self-sustainable development.

Implementation of the EU approach is also problematic leading to:

1) *Widening gap between citizens and elites*: the distrust of EU policies is also rooted in the perception of Brussels imposing their own priorities ignoring local needs. Governments are perceived as 'Western marionettes' and this perception further destabilizes internal politics increasing

corruption and organized crime and eroding the already shaky bases for sustainable socio-economic development.

2) *Multi-tier reality against integration*: considering the different state of transition in every country and the great legitimacy diversity that exists maintaining the EU approach of bilateral conditionality reinforces differentiation in the Western Balkans decreasing the prospects for regional cooperation and subsequently limiting the potential for economic development and political stability.

Today, there is an overall agreement that the Balkans are part of Europe; European integration cannot proceed without their inclusion. Since European integration is primarily pursued through EU enlargement, there is no doubt that for enlargement to be complete it will have sooner or later to be extended in the Western Balkan region. But for this enlargement to be successful for both the region and the EU, the countries of the region will have to have achieved a certain degree of political and economic 'maturity' meaning strong states capable of enforcing the rule of law, a vibrant civil society and a self-sustaining economic and social development. EU-style adaptation could follow at a later stage, after all this was the practice up to the last wave of enlargement. This means that the EU approach has to be re-oriented accordingly:

1) Provide a visible accession horizon, clarify the intermediate steps and provide intermediate substantial institutional bene-

<sup>3</sup> International Development Consulting and Development Strategies, *Evaluation of EC Country Strategy: Albania 1996-2001*, 2001; International Development Consulting and Development Strategies, *Evaluation of EC Country Strategy: the Former Yugoslav Republic of Macedonia 1996-2001*, 2001.

fits to increase support for reform.

2) Open up and facilitate participation in EU councils and committees of regional elites.

3) Open up and facilitate participation in EU programs for the population.

4) Adapt EU priorities to the local specificities and needs.

5) The Western Balkans difficulties are not unknown to the EU who has experienced similar difficulties in the past and has a well-established armory of policies from which to choose in order to eliminate the

conditions that hinder the development of self-sustainable governments and economies in the region (European Stability Initiative, 2002).<sup>4</sup>

Concluding, EU commitment alone is not enough; the regional governing elites and the local population have similarly to commit themselves to take all the necessary steps to-

<sup>4</sup> European Stability Initiative, *Western Balkans 2004: Assistance, Cohesion and the New Boundaries of Europe - A Call for Policy Reform*, 2002, [http://www.esiweb.org/pdf/esi\\_document\\_id\\_37.pdf](http://www.esiweb.org/pdf/esi_document_id_37.pdf).

wards a United Wider Europe.

Summary of a paper presented at the workshop: The European Union and Southeast Europe after 2004, Department of Politics, University of Stirling and Economist Intelligence Unit, Stirling, 19-20 March 2004 The paper has been prepared with the support of the Hellenic State Scholarships Foundation (IKY).

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## The Multiple Faces of Balkan Security

By *Dimitar Bechev*

If anything is certain about analyzing current affairs it is that one's judgment gets more thorough and nuanced only after sufficient period of time passes. The benefit of hindsight allows us now to be more comfortable about making generalized statements on what happened in Southeastern Europe after the 1989 watershed. An interesting observation could be made on the interplay between the themes of continuity and change in our thinking about the Balkans. To many pundits, the end of the Cold War was marked by profound transformations but it also heralded, as Misha Glenny put it at the time, the return to history.

As early as 1990, a leading expert at RAND corporation, issued a warning on the pages of the *Inter-*

*national Security* journal: 'the Balkans have traditionally been a region of instability and ferment, and with the end of the Cold War, long-standing conflicts are likely to re-emerge.'<sup>5</sup> More than a decade afterwards, a high-ranking US State Department official had a quite different take: 'Southeastern Europe has come a long way since the collapse of communism and the wars in the Balkans. Over the last few years in particular, we are heartened by continued improvement in the development of democracy, rule of law, and human rights

<sup>5</sup> F. Stephen Larrabee, 'Long Memories and Short Fuses: Change and Instability in the Balkans,' *International Security*, Vol 15 (3), Winter 1990/91, p. 58.

in the countries in the region.'<sup>6</sup>

The 1990 piece had an evocative title: 'Long Memories and Short Fuses: Change and Instability in the Balkans.' Its author thought that nation-states and ethnic groups liberated from the Cold War straitjacket are likely to dig out the hatchets and return to the pre-communist Balkans' business-as-usual of nationalism- and irredentism-fuelled competition. In her 2003 speech, the State Department official raised another set of concerns: '[...] serious chal-

<sup>6</sup> U.S. Department of State, 'Progress Against Trafficking in Persons in Southeastern Europe,' Paula Dobriansky, Under Secretary for Global Affairs Opening Remarks at Conference, Washington, DC, August 1, 2003

lenges remain. [...] Today, crime and corruption pose as great a threat as any that countries in this region have faced.<sup>7</sup> The key difference between the two views is not so much that in 2003 there were greater grounds for optimism. Rather, it has to do with the nature of the warnings analysts and policymakers are now airing compared to the previous decade.

A decade ago it was not uncommon to think that the violence in Yugoslavia could spillover beyond the former federation's borders drawing other Balkan states in the conflict. People inside and outside the region talked aloud about 'Balkan wars', and referred to the memories of the fateful decade between 1912-1922 to make sense of the present. As in the early 20<sup>th</sup> century, nationalist ambitions could wreak havoc by challenging the established territorial status quo. What is more, the rediscovery of shared 'civilisational' and religious identities was seen as precipitating the rise of rivaling axes and alliances.

Yet, worst-case scenarios and domino effects did not materialize. As noted by Dimitris Livanios, no border outside Yugoslavia was challenged in earnest during the volatile 1990s. At the end of the day, no Balkan state or leader, aside from Tudjman and Milosevic, questioned the legitimacy of the post-1992 status quo. 'The New Macedonian Question'

stirred much less trouble than expected, with the notable exception of the Greece's confrontational policy between 1992 and 1995. The most dangerous escalation of state-to-state enmity was the Greek-Turkish armed standoff over the Dodecanese islet of Imia/Kardak in January 1996 but it had little to do with Balkan spillovers.

It took time to realize that the key security challenge for Southeastern Europe is not that the local states are incorrigible nationalist bullies, but that they are weaklings. Throughout the post-communist Balkans, the legacies of conflict and troubled transition have hampered the domestic institutions' ability to enforce the rule of law and raise living standards. The wars in former Yugoslavia further exacerbated the socio-economic decline of the 1980s. They contributed to the utter criminalization of all economies in the region. What is more, state building in the Western Balkans often led to the state-builders' involvement in murky activities such as smuggling arms, drugs and oil. Consider late Croatian President Tudjman's dependence on criminal networks originating from Herzegovina or the history of the Kosovo Liberation Army. The residue criminal networks were bound to emerge as a threat to the stability of the post-Yugoslav independent states and entities, if not the whole of Southeast Europe.

While the impact of trans-border organized crime is hard to weigh, it is still the case that the sanctions

against rump Yugoslavia had a long-term effect on neighboring countries like Bulgaria, Macedonia, Albania and Romania. As the quoted US State Department official notes, the nexus between cross-border smuggling networks, criminals, unreformed security services and political elites – no matter whether nationalist or reformist – is the dangerous mixture that one finds inside the Balkan powder keg. In that sense, last year's assassination of Serbian Prime Minister Zoran Djindjic was a major wake-up call.

There is little doubt that the rule of law is an essential condition for a successful transition toward vibrant market economies. Conversely, corruption and weak institutions perpetuate the distorted political economy of the 1990s, which is illustrated by phenomena as diverse as crony privatizations, smuggling, expanding gray sector, tax evasion, misappropriation of bank deposits through politically-backed credits, and pyramid schemes (the list goes on *ad infinitum*). In the Western Balkans, state-building agendas have prevented the political elites from fully engaging with the bread-and-butter issues of economic reform even when the latter recognized that this is what tops the public agenda. Half-hearted marketization in Romania and Bulgaria during the first half of the 1990s opened a gap with the frontrunners in the EU race. One cannot talk of state weakness without considering the impact of reform delays.

<sup>7</sup> Ibid.

The foregoing discussion begs a question: what is the connection with security? After all, security is about territorial integrity, about a state's capabilities to foil potential attack by another state. True, in the 1990s, the concept was extended to include the containment of civil wars triggered by ethno-national grievances, yet mass-scale political violence stayed a common denominator. How does institutional weakness and reform failure fit?

The field of Security Studies offers some valuable theoretical insights here. Barry Buzan, Ole Waever and Jaap De Wilde argue that security is best understood in terms of control over 'existential threat'. The threat might be directed towards different 'reference objects,' including states, societies, ethnic groups, and individuals. It might be related to a range of sectors of social activity: politics, economics, culture, the environment etc. Through 'speech acts' and discourse, the actors in question frame an issue as one related to security, which makes special social rules applicable.<sup>8</sup> With a reference to the international interventions in former Yugoslavia Mary Kaldor distinguishes between top-down or geopolitical visions of security proceeding from the international community's interest in maintaining stability, and cosmopolitan approaches

<sup>8</sup> Barry Buzan, Ole Waever and Jaap de Wilde. *Security: A New Framework for Analysis*, Boulder, CO: Lynne Rienner Publishers, 1998.

concerned with individual human rights.<sup>9</sup> In short, the crucial question that conventional thinking on the subject overlooks is *security for whom?*

If nation-state territories and borders were at the center of the 1990s Balkan security, the weak state problematique is mainly linked to vulnerabilities at the societal and individual levels. Institutional deficits, the spread of corruption and organized crime, economic decay and deteriorating living standards are problems, universes apart from the conventional billiard-ball models of interstate power games. To put it in the aforementioned security theorists' language, the Balkans might have witnessed an important shift in terms of the 'reference objects' of security': from nations and states to societies and individuals.

Is that the case? The answer is both yes and no.

Yes, because there are states in Southeastern European states that do not currently perceive any other state or national project as a threat, yet confront a web of domestic problems related to weak institutions. Bulgaria and Romania have built up good political relations with their Balkan neighbors. The ethnic minorities living in the two countries are relatively

<sup>9</sup> Mary Kaldor, 'Intervention in the Balkans: an Unfinished Learning Process' in Peter Siani-Davies (ed.), *International Interventions in the Balkans since 1995*, London: Routledge, 2003. pp. 32-42.

well integrated in the party system and recognize the legitimacy of the state. At the same time, kin states like Hungary and Turkey subscribe to the principle of border inviolability. The accession to institutions like NATO and the EU contribute further to those countries' stability by fostering democratization, bilateral and multilateral cooperation, minority rights and commitment to reforms. As a result, Bulgarian and Romanian security could be better understood in terms of institutional inefficiency (particularly regarding the judiciary and public administration), entrenched corruption, vicious organized crime, and the heavy social cost of reforms. The societal and individual concerns arguably top the security agenda.

The answer should be 'mostly no' as regards the Western Balkans. True, all five countries in the group suffer from the domestic deficits described above, and there are significant parallels with Romania and Bulgaria in that sense. With the exception of Albania and Croatia, however, the Western Balkans also face a number of unresolved 'hard security' issues related to statehood and territory. For countries and entities like Kosovo, Macedonia and Bosnia-Herzegovina, the Balkan agenda of olden days is just around the corner as the recent upsurge of violence in Mitrovica and other Kosovo localities reminds us. In the Western Balkans, the question 'security for whom' has two answers. Security is

for individuals and the society as a whole, as liberals like Mary Kaldor would like it to be, but also for ethnic collectivities. Exacerbated ethnic dilemmas normally trump civic interests because they put into question the survival of the political order. What is at stake is not merely the performance of institutions, but the very existence of the state.

Ethnic groups in the Western Balkans are dissatisfied with the present *status quo*. Thus, the Macedonian Albanians in Macedonia aspire for recognition as a constitutive nation. Full independence remains a *sine qua non* for their brethren in Kosovo. The majority's wishes in Bosnia's Republika Sprska are not much different. Security dilemmas are interlocked. Ethnic majorities are concerned with preserving their rights over states or entities conceived along ethno-national lines.

Serbia is a specific case, in that its statehood problem, if we forget Kosovo for a second, is not rooted in internal ethnic divisions but stems from the incomplete process of Yugoslav disintegration. This year, Serbia celebrated two hundred years of statehood (though it gained formal recognition as a sovereign state only in 1878). Ironically, from a strictly legalistic point of view, there is no independent state called Serbia at present. Besides, no one knows where exactly where the borders of the state lie. The 'Solania' compromise with Monte-

negro and the pending Kosovo issue draws Serbia closer to Macedonia and Bosnia, although properly speaking Serbia is a full-fledged nation-state much like Romania, Bulgaria, Croatia and Albania.

The international community's approach to the Western Balkans is heavily impacted by ethnic security. It hinges on a variety of power-sharing arrangements aimed at balancing group rights as well as assuaging group fears.<sup>10</sup> The trouble is that the interethnic power-sharing, though preventing civil wars, becomes itself a source of instability. States underpinned by such arrangements tend to be institutionally weak. Complex decision-making mechanisms make them rather inefficient: it is hard to agree and implement policies even on trivial matters. In addition, the ethnic agendas marginalize socio-economic and institutional reforms, and thus obstruct the integration into the Euro-Atlantic structures. One sees, in that sense, a trade-off between the individual and societal, and the ethnic level of security.

The security-*for*-whom inevitably ushers the security-*through*-whom question. Here a key role can be attributed to the external dimension of regional stability. The outside actors keep the peace in the

troubled zones and actually run most of them, conduct a policy of carrots and sticks towards the Balkan states, "teach" the local elites liberal democratic values. Today we commonly associate accession to NATO and the EU as a panacea to the outstanding problems within Southeastern Europe. This, however, should not be taken for granted. The collapse of the Annan plan in Cyprus shows the limits of the EU membership carrot. We are yet to see if NATO membership for the Adriatic Charter countries, Macedonia in particular, projected for 2006 will alter the security situation. One thing is certain: exclusion from those institutions breeds instability within the Balkans.

External involvement often puts a brake to the process of inclusion. Although the EU transcends and redefines state sovereignty, states are still its main building blocks. Functioning statehood is an indispensable condition for the Western Balkans to engage fully with the EU institutions. This is what distinguishes Croatia from the rest of the group, besides the higher level of economic development. The issue is whether we can achieve the sufficient level of stability without addressing the hard-security issues mentioned above, notably the final status of Kosovo. The outside powerbrokers, the US and the EU, have been hitherto reluctant to do so. Much depends on their ability to do the job in a cohesive, credible and well-timed way.

<sup>10</sup> Florian Bieber, *Institutionalizing Ethnicity in the Western Balkans. Managing Change in Deeply Divided Societies*, Working Paper, Flensburg: ECMI, February 2004.

In conclusion, Southeastern Europe's security has many more layers than thought of a decade ago. At the same time, there are observable trends. The heterogeneity of the region in terms of domestic conditions and level of integration in the Euro-Atlantic institutions is balanced by a number of

shared concerns. Different aspects of state weakness are and will likely remain the common denominator in Balkan security.

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## Bosnia's EU integration process

*By Christophe Solioz*

In the early 1990s, the European Community failed to act when the political possibilities for peaceful changes in the Yugoslav space were still present. At that time, the international community had no coherent regional approach and no policy concerning an adequate intervention. It was only at the end of the 1990s that the European Union developed its foreign-policy capacities in a significant way, with a specific focus on Central and South-Eastern Europe. Together with the Stability Pact for South-East Europe, the Stabilisation and Association Process has since 26 May 1999 been the centrepiece of the EU's long-term strategy towards the Western Balkans (Albania, Bosnia, Croatia, Serbia & Montenegro and FYROM).<sup>11</sup>

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<sup>11</sup> See Commission of the European Communities, 'Commission Communication to the Council and European Parliament on the Stabilisation and Association Process for Countries of South East Europe.' Brussels: COM (99) 235, 26 May 1999.

In the eyes of the European Commission (EC), this was the signal for a major change in the EU's approach to the Western Balkans: "EU leaders decided that a policy of emergency reconstruction, containment and stabilisation was not, in itself, enough to bring lasting peace and stability to the Balkans: only the real prospect of integration into European structures would achieve that."<sup>12</sup> The SAP, officially launched at the Zagreb summit in November 2000, is a tailor-made, country-by-country, progressive approach for Western Balkans countries considered as potential members of the EU at the Feira European Council meeting in June 2000.

### **Bosnia and the SAP**

Once Bosnia was included in the SAP process, thus benefiting from preferen-

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<sup>12</sup> Commission of the European Communities, 'The Stabilisation and Association Process for South East Europe, First Annual Report.' Brussels: COM (2002) 163 final, 4 April 2002, p. 4.

tial EU trade concessions and CARDS assistance, the country had to follow an agenda focusing on a limited number of SAP-relevant reforms. This became the Road Map, a document drawn up in March 2000 and endorsed by the Peace Implementation Council on 24 May 2000.<sup>13</sup> The Road Map fixed 18 initial basic pre-conditions falling into three groups covering political, economic and democracy- and human-rights-related issues. These requirements were to be satisfied before work on a Feasibility Study for the opening of negotiations on an SAA could begin. The main focus was on deepening economic reform, accelerating the return of refugees and displaced persons, and

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<sup>13</sup> The list annexed to the PIC Declaration of 24 May 2000 is a slightly longer one of 37 "required actions." See OHR, 'Annex to the PIC Declaration: Required actions.' Brussels: OHR, 24 May 2000. Available at [http://www.ohr.int/pic/default.asp?content\\_id=5201](http://www.ohr.int/pic/default.asp?content_id=5201).

fostering democratic and accountable common institutions. These issues were identical to the three priorities of the High Representative at that time, Wolfgang Petritsch, who was also boosting, on the one hand, Bosnia's integration process and, on the other hand, the involvement of the EU in Bosnia.

At the Zagreb summit in November 2000, the Bosnian authorities had firmly committed themselves to fulfil the Road Map's conditions by 30 June 2001. But this target was not met, as well as the next deadline: the first half of 2002. Due to the difficulty of fulfilling the requested reforms, the completion of the Road Map was constantly lagging. In a way, Bosnia adopted what has been called the "floating tranche approach."<sup>14</sup> By September 2002, "there was an agreement that the Road Map had been substantially completed. This assessment reflected the fact that Bosnia had, for Road Map purposes, completed 15 of the 18 steps and made some progress on the outstanding three points."<sup>15</sup> Most of this had been achieved through the direct intervention of the High Representative. Nev-

ertheless, there was agreement that the Road Map had been completed. The remaining three requirements re-emerged in the Feasibility Study under point 5 ("comply with existing conditionality and international obligations"). At the time of writing, only the last requirement, concerning public service broadcasting, is outstanding (the law has not yet been adopted). Nevertheless, improved State and RS implementation of the decisions related to human-rights institutions and further steps towards a single market are still required.

Bosnia's next step was the Feasibility Study launched in the spring of 2003.<sup>16</sup> This report, finalised in November 2003, is based on responses given by the Bosnian Directorate for European Integration to a questionnaire submitted by the Commission in March. The final statement was a "Yes, but." Indeed, before Bosnia can conclude an SAA, the country must still make significant progress in sixteen fields. This represents a substantial and demanding reform agenda, even if some of the items are, of course, not new. The Commission regularly insisted that incorporation of the *acquis* into legislation is not itself sufficient, and that it ex-

pects full implementation. In fact, many of the feasibility study follow-up requirements explicitly focus on implementation.

The 30 March 2004 issued Commission's report on the progress of the reform process gives following global assessment: "On those of the 16 points relating to the political situation, progress has been moderate. Government at State level remains underdeveloped, while tensions between State and Entities still affect government business and reform."<sup>17</sup> Even if the Council of Ministers adopted a structured approach to reform, "hope for a new and clear reform dynamic has not yet been clearly confirmed, indeed political obstruction of reform is still frequent."<sup>18</sup> On those related to the economic situation, some progress were made on budgetary issues, as well as in the field of macro-economic stability; in addition, the recommendations of the 2003 SAP report have been broadly satisfied. But the country is not yet on the path of self-sustaining growth, related to specific issues: nothing has yet been fully completed in the field of reliable statistics and other short-term steps mentioned in the Feasibility Study. The same applies to the technical SAP requirements, where the record of progress is mixed, but none of the

<sup>14</sup> See Mohsin S. Khan & Sunil Sharma, *IMF conditionality and country ownership of programs*, Working Paper 01/142, 1 September 2001. Washington, DC: IMF Institute, pp. 23-4.

<sup>15</sup> Commission of the European Communities, 'Bosnia and Herzegovina, Stabilisation and Association Report 2003.' Brussels: SEC (2003) 340, 26 March 2003, p. 21.

<sup>16</sup> See Commission of the European Communities, 'Report from the Commission to the Council on the Preparedness of Bosnia and Herzegovina to Negotiate a Stabilisation and Association Agreement with the European Union.' Brussels: COM (2003) 692 final, 18 November 2003.

<sup>17</sup> Commission of the European Communities, 'Bosnia and Herzegovina, Stabilisation and Association Report 2004.' Brussels: SEC, 30 March 2004, p. 4.

<sup>18</sup> Ibidem.

Feasibility Study recommendations has yet been fully completed. What is missing is a commitment by all relevant actors to consistently implement the requested reforms. To sum up, ownership of reforms remains limited, and as in most advances, international initiative or pressure was the key.

At the same time, these 16 reform areas represent the short- and medium-term priorities of the 2004 European Partnership for Bosnia – the first are expected to be accomplished within one or two years, the later ones within three to four years.<sup>19</sup> This European Partnership refers to “The Thessaloniki Agenda for the Western Balkans,” which on 16 June 2003 emphasised the need to strengthen the SAp, and to intensify the relations between the Western Balkans and the EU through the introduction of a European Partnerships inspired by the national programmes for adoption of the *acquis* in the accession process. In the eyes of the Commission, “if progress is achieved, the European Partnership will increasingly be geared towards the adoption of the *acquis*.”<sup>20</sup> In reality, the

<sup>19</sup> See Commission of the European Communities, ‘Council Decision on the Principles, Priorities and Conditions Contained in the European Partnership with Bosnia and Herzegovina.’ Brussels, 2004. Draft available at [http://europa.eu.int/comm/external\\_relations/see/sap/rep3/part\\_bih.pdf](http://europa.eu.int/comm/external_relations/see/sap/rep3/part_bih.pdf).

<sup>20</sup> See Commission of the European Communities, ‘The Stabilisation and Association Process for South East

European Partnerships offers the perspective of EU membership, but not a pre-accession status; its short- and medium-term priorities give a picture of the particular stage of development of each country, serve as checklist against which to measure progress, and are the basis for programming assistance, with a clear focus on enhancing support for institution-building. Thus, the European Partnership process refers to the pre-conditions the countries must fulfil in order to become eligible – basically the list of required changes and reforms corresponding to the criteria set by the Copenhagen European Council of 1993. If prospect of membership is the key instrument, some countries nevertheless fear this might not be the case and were expecting a firmer EU commitment.

Soon after the publication of the Study, the European Commission operationalized the 16 priorities by developing a list of concrete “indicators” of progress. This was followed-up by a largely corresponding action-plan detailing how Bosnian authorities intend to address European Partnership priorities. Meanwhile, the European Commission did set neither a deadline nor a timetable for the fulfilment of the 16 points. The Bosnian government set a self-imposed deadline of 1 June 2004, later changed to 18 November 2004, and

Europe, Third Annual Report.’ Brussels: COM (2004) 202/2 final, 30 March 2004, p. 6.

in July 2003 formulated a specific Action Plan for Priority Reforms for the period August 2003-May 2004, which was adopted in December 2003.<sup>21</sup> Accordingly, on 3 December 2003, the Bosnian Council of Ministers passed a decision on procedures for the process of co-ordinating Bosnian legislation with the *acquis communautaire*, and later on the Bosnian Directorate for European Integration worked out an appropriate programme of activities for the realisation of the requested reforms, including an ambitious plan of legislation requesting the creation of 25 new institutions.<sup>22</sup> By February 2004, all Bosnian political parties signed a declaration supporting the reforms the SAA process requests. This declaration is supposed to express the concern and commitment of Bosnian politics. Finally, a National Plan for Adoption of *Acquis Communautaire* is about to be finalised. This clearly demonstrates Bosnia’s determination to take on

<sup>21</sup> Very probably, this was done for tactical reasons – the fear is that with the enlargement of Europe, the new EU Council of Ministers would have to face other priorities. If the present Commission were to obtain the mandate to start negotiations with Bosnia, this mandate would be automatically forwarded to the incoming Commission. This action plan is separate from the Action Plan for Implementation of Priority Reform adopted in July 2003 by the government in the context of the finalisation of the PRSP.

<sup>22</sup> Available at <http://www.dei.gov.ba/en/prioriteti.asp>.

the obligations related to EU membership.

If in March 2004, the results achieved were – as indicated above, from the Commission's viewpoint – quite disappointing, the summer 2004 evaluation is looking far more encouraging, as significant progress has effectively been made on most of the 16 points. In only few months, the Bosnian authorities have made notable progress towards fulfilling the legislative requirements of the Feasibility Study at state level. The Bosnian Directorate for European Integration made indeed a rather positive, self-assessment: on 31 July 2004, out of the 40 laws on their programme of activities, both houses of Parliament adopted 21 laws; meanwhile, 19 were undergoing parliamentary procedure. The report further emphasises correctly that "none of the Laws from the Program have been imposed by the High Representative, and the laws were adopted through shortened procedures."<sup>23</sup> Even if the international community is still largely responsible for pushing forward the adoption and implementation of this reform package, notably by drafting about 60 percent of the above-mentioned laws – usually

<sup>23</sup> Bosnia and Herzegovina – Council of Ministers, 'Report on the Progress made in Sixteen Priority Areas from the European Commission Report to the Council of Ministers of the European Union (...)' Sarajevo: Directorate of European Integration, 31 July 2004.

with only minimal participation by Bosnian officials – real efforts are nevertheless being made by the Directorate for European Integration to gradually and systematically develop the formal and legal basis for institutional structures in line with accession requirements. The remaining problematic issue is that these reforms must not merely remain on paper, but must be implemented. Additionally, they will have to be consolidated, as only their institutionalisation will raise the chances that they will also last. Therefore, there is the necessity of finding sustainable domestic mechanisms to ensure effective implementation of reforms at state, entity and lower levels of government. This is the reason why in the next 12 months the OHR will move increasingly forward and focus essentially on the implementation of the recently adopted laws; this of course presupposes that the OHR will work increasingly closely with the Bosnian authorities.<sup>24</sup> Thus, if these recent developments are confirmed, we may well observe the maturation of a consensus on the reform package, and therefore of a pro-forma conditionality that would stand close to effective ownership.<sup>25</sup>

<sup>24</sup> In the fields of: State Court, State Information and Protection Agency, Indirect Taxation Authority, Council of Ministers, Intelligence Agency, Ministry of Defence and Joint General Staff.

<sup>25</sup> Concerning the distinction between "pro forma" and "hard core" conditionality, see Tony Killick, *Aid and the Political Economy of Policy*

On 1 September 2004, the acting High Representative, Paddy Ashdown, expressed his optimism, stating (to the great surprise of those who believed it would be totally impossible for Bosnia to fulfil the 16 requirements) that the Bosnian government was about to finish the major part of the work.<sup>26</sup> For the moment, we may question if this is really the case, for it seems highly improbable that Bosnia will meet the 18 November 2004 deadline. Frane Maroevic, the spokesman for the EC's delegation in Bosnia, has put forward mid-2005 as a more realistic deadline.<sup>27</sup> In this context, we should remember that Central and Eastern European Countries needed 15 years of tough choices and profound changes before being accepted into the EU. This could help all concerned to accept the obvious fact that Bosnia's entry strategy will take some time to be completed. Haste should be avoided. Despite these somehow positive results, many experts may share the ICG's view of Bosnia as standing at a crossroads:

"Within Bosnia, the ongoing process of fundamental reform is likely to have

*Changes*, (London: Routledge 1998), p. 11.

<sup>26</sup> See Paddy Ashdown, 'Ministry of Security exists solely in the person of Mr. Colak,' in: *Vecernji List*, 1 September 2004. Available at <http://www.ohr.int>.

<sup>27</sup> Quoted by Anes Alic, Bosnia: Crawling toward the EU. In: *Transitions Online*, 22 July 2004.

reached the make or break stage in 2005. Either the country will acquire and develop the state-level structures necessary for functional, affordable and EU-compatible governance, or it will be condemned to a long, agonising and destabilising period of twilight statehood."<sup>28</sup>

Thus, some fundamental changes as well as strategic adjustments must still be introduced. Therefore, 2005 will for sure become a landmark for the country.

### **The Europeanization of the International Presence**

By the end of 2004, Bosnia will become the first country outside the EU where all "second pillar" instruments of the EU's Common Foreign and Security Policy (CFSP) and the European Security and Defence Policy (ESDP) will be deployed on the ground. In addition to the European Union Monitoring Mission (EUMM) and the – since 2003 – active European Union Police Mission (EUPM), the EU-led peace-keeping force (codenamed ALTHEA and popularly know as EUFOR) will take over from SFOR by the end of 2004. High Representative Ashdown has since May 2002 also been acting as the European Union Special Representative (EUSR) and will increasingly be focusing this second role. Thus, the present OHR will progressively become the Office of

the EUSR – with the obligation to co-ordinate and lead the EU agencies active in the country. This represents a major transition in the international community's presence in Bosnia,<sup>29</sup> and corresponds also to the OHR's shift from the Dayton implementation to the institution- and competence-building required for Bosnia's EU integration.

As the EU becomes more and more involved and visible in Bosnia, so the role of the High Representative will have to become less interventionist and shift from a position where he has had to use his authority and powers towards the role of a facilitator.<sup>30</sup> I should emphasise that while the SAP pushes domestic political structures towards competency and responsibility, the use of the Bonn Powers reinforces dependency and irresponsibility. This contradiction must now be overcome: the Bonn Powers should be used only in exceptional circumstances and should be given up by the end of 2005, at the

latest, since only a fully sovereign state can presume to be a candidate for EU membership.

What is needed is, in effect, an institutional change: 2005 should – and hopefully will – become a milestone for the country: the current, mostly informal changes taking place within the OHR should be clearly institutionalised. The OHR itself should be closed down by the end of 2005, and hand over most of its prerogative to local authorities; the remainder should be transferred to the supervising function of the EUSR. Bosnian authorities will have to take over these responsibilities and assume full ownership of the country; at the same time, they will have to initiate a process of constitutional reform involving all political forces, including civil society.

The EU's increased involvement should convince sceptical Bosnians that the EU remains fully committed in Bosnia and is willing to effectively encourage the integration process. The fact that the new European Commission has transferred responsibility for Bosnia from its External Relations Directorate to the Directorate for Enlargement is a clear indication that Brussels has upgraded its Western Balkans dossier and is moving in the right direction. Nevertheless, some additional concrete steps should be taken in order to address justified criticism: a sectorial approach to implement functional cooperation should be developed, additional pre-

<sup>28</sup> International Crisis Group, *EUFORIA: Changing Bosnia's Security Arrangements*, 29 June 2004, p. 2.

<sup>29</sup> See Paddy Ashdown, 'TV address by the European Union Special Representative and High Representative in BiH to the people of BiH,' OHR, 19 July 2004; 'OHR announces downsizing in line with BiH's progress towards full statehood,' OHR, 24 August 2004. Available at <http://www.ohr.int>.

<sup>30</sup> See Christian Ebner, *Are the Bonn Powers still necessary? In: From Peace Making to Self-Sustaining Peace: International Presence in South East Europe at a Crossroads?* (Vienna: National Defense Academy, 2004), pp. 119-51.

accession assistance provided, the visa regime loosened up, and membership in a limited number of Community programs and committees offered.<sup>31</sup>

But partnership is not enough: it is ownership that matters! Literature on conditionality suggests that the incentive problem is reduced and convergence between the donor and the recipient can be achieved when there is a long-term relationship and the building-up of trust.

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<sup>31</sup> See Christophe Solioz, *L'Après-guerre dans les Balkans* (Paris: Karthala, 2003), p. 112; Wim Van Meurs & Stefani Weiss, *The Next Europe: Southeastern Europe after Thessaloniki* (Munich: CAP, 2003).

But empirical evidence shows that this is the least-well-supported hypothesis – long and close relationship does not automatically affect programme execution and implementation in a positive way. In order to overcome the persistence of the problem of the poor programme execution and weak implementation of hard-core conditionality, and considering also the evidence of the importance of ownership as a key determinant of successful implementation, I suggest that implementation and consolidation of reforms can be achieved only through genuine ownership of reform packages that, in this case, were initiated with the help of limited condition-

ality. What is urgently needed now is to reverse the relationship between conditionality and ownership. Without this shift, Bosnia will not progress.

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