

The Stabilisation and Association Process: are EU inducements failing in the Western Balkans?



Sofia Sebastian

About FRIDE

FRIDE is an independent think-tank based in Madrid, focused on issues related to democracy and human rights; peace and security; and humanitarian action and development. FRIDE attempts to influence policy-making and inform public opinion, through its research in these areas.

Working Papers

FRIDE's working papers seek to stimulate wider debate on these issues and present policy-relevant considerations.

The Stabilisation and Association Process: are EU inducements failing in the Western Balkans?

Sofia Sebastian

February 2008

Sofia Sebastian is a PhD candidate in the Government Department at the London School of Economics (LSE), where she teaches a seminar on democracy and democratisation processes. Before joining FRIDE as an associate fellow, Sofia worked as a consultant for the Economic Management and Poverty Reduction Division of the World Bank's East Asia vice Presidency in Washington DC. She also did an internship at the UNDP Washington Liaison Office.

She holds an MSc in Foreign Service, with a focus on foreign policy and international security, from Georgetown University, along with a BA in Political Science and International Relations from the Universidad Complutense de Madrid.

© Fundación para las Relaciones Internacionales y el Diálogo Exterior (FRIDE) 2007.

Goya, 5-7, Pasaje 2º. 28001 Madrid – SPAIN

Tel.: +34 912 44 47 40 – Fax: +34 912 44 47 41

Email: fride@fride.org

All FRIDE publications are available at the FRIDE website: www.fride.org

This document is the property of FRIDE. If you would like to copy, reprint or in any way reproduce all or any part, you must request permission. The views expressed by the author do not necessarily reflect the opinion of FRIDE. If you have any comments on this document or any other suggestions, please email us at comments@fride.org

Contents

Introduction	1
The Stabilisation and Association Process	2
The inter-pillar challenge and the quest for unity	6
Enlargement or Balkan fatigue?	9
Beyond inter-ethnic divisions: The gap between rhetoric and resources	13
Conclusions	18
Annex - Tables	20

Introduction

Almost eight years since the launch of the Stabilisation and Association Process (SAP), the framework under which the Western Balkan countries come closer to European institutions, the prospect of European membership seems further away than ever before. The SAP annual report, which evaluates the progress made by Western Balkan countries¹ and delineates the remaining tasks to be completed before EU integration, presented a depressing picture in November 2007. Despite some significant developments following the release of the report, including the long-awaited beginnings of a Stability and Association Agreement (SAA) with Serbia and Bosnia-Herzegovina (BiH) and the end of the political crisis that brought BiH's government to a halt, the European Commission (EC) has given the WB a poor assessment on the reform process and offered membership only in the medium to long term. The EU's reports suggest that even if the future of the WB remains within EU borders, accession to the exclusive club is still far off, probably at least a decade away.

The EU's annual report comes at a time in which political stability in the Balkan region is under question. There is concern among European and international officials² that the region's ability to move forward with the reform agenda is at risk from ongoing instability and dysfunctional institutions. Only Croatia seems to be exempted from the spiral of instability, although European officials have recently warned the country of the need to speed up reforms if it is to join the Union prior to 2011. In BiH, despite the initialisation of an SAA in December 2007, the recent political crisis that paralysed the government for several weeks showed up the weak balance upon which political institutions rest in this multi-ethnic country.

Similarly, political infighting both within and between ethnic parties in the Former Yugoslav Republic of Macedonia (Macedonia hereinafter) has not only slowed down the reform process since the 2006 elections but has also put a heavy strain on the functionality of political institutions. As for Serbia, despite rapprochement with the EU through preliminary talks on an SAA in November 2007, deep political divisions along the nationalist divide and the future of Kosovo cast serious doubts on the future direction of this country. Furthermore, the victory of Radical Party candidate Tomislav Nikolic over pro-European Boris Tadic in the first round of presidential elections in January 2008, despite frequent EU calls supporting the latter, will make the second round on 3 February 2008 critical. Compounding this fragile political scenario, the upcoming challenge in Kosovo presents further cause for concern. Even if spiraling violence resulting from developments in the breakaway province seems remote, the potential for instability in the region is high.

Do all of these factors suggest that the EU's approach to the region within the SAP has been ill-designed? Even if domestic politics are much to blame for the current state of affairs – political infighting in BiH, for example, has paralysed Bosnian institutions for a long time – a closer look at EU SAP policies in the WB is in order. This paper argues that despite the fact that the prospect of EU membership and the conditionality-based reform process attached to it have made the greatest contribution to stability and democratic development in the region, problems of policy inconsistency, unclear benchmarking, disillusionment over the still remote European perspective and the gap between rhetoric and efforts on the ground have undermined EU policies in the Balkans and diminished the effectiveness of EU's inducements. One of the lessons to be learned is that while the process of enlargement that involved Central and Eastern European states (CEE) offered a practical model for the EU's approach in the Balkans, the integration process cannot be replicated in the WB region. The EU needs to readjust its framework and take into full consideration the different problems that afflict Balkan

¹ The term Western Balkans refers to the countries of former Yugoslavia, except for Slovenia. This paper focuses primarily on BiH, Serbia (including Kosovo), and Macedonia.

² See Onasa, "NATO concerned with deteriorating political situation in Bosnia," 20 November 2007.

countries and provide real incentives to persuade them to accept the terms of stability while integrating into the EU. How European institutions respond to these challenges in the light of developments in Kosovo will prove critical for the future stability of the region.

The Stabilisation and Association Process

Following democratic changes in Croatia and the Federal Republic of Yugoslavia (FRY),³ the European Commission (EC) launched the Stability and Association Process (SAP) in 2000, after a communiqué in 1999 envisioning a new, ambitious agenda for the region.⁴ The launch of the Stability and Association Process (SAP) represented an attempt to apply a more coherent, comprehensive policy framework in the region by both looking into the process of European membership in CEE and simultaneously promoting stabilisation, a transition to a market economy, and regional cooperation. What was on offer was the chance to establish contractual relations with the EU through the signing of Stabilisation and Association Agreements (SAA) – the end-goal of the SAP – along with the prospect of EU membership in the future.⁵ The rationale behind the launching of SAP included (1) “the recognition that a

credible prospect of European membership, together with the outlining of a set of conditions attached to membership, represented a key driver for reform in the region,” (2) the need to encourage bilateral relationships and (3) the need for a more flexible approach tailored to the conditions of the Western Balkans.⁶ The SAP was thus created as a flexible device “to accommodate a range of situations from post-conflict reconstruction and stabilisation to technical help with matters such as the approximation of legislation to the core elements of the EU *acquis*.”⁷ The EU also provided itself with a set of monitoring mechanisms, such as annual reviews, to assess progress in the countries concerned.

The Stabilisation and Association Process was formalised at the Zagreb summit in November 2000, where the EU confirmed its wish “to contribute to the consolidation of democracy and to give its resolute support to the process of reconciliation and cooperation between the countries concerned.”⁸ WB countries, for their part, agreed to abide by the European conditions outlined in the 1997 Council and use the SAP to progress towards EU membership.⁹ The Zagreb summit also launched a new EU programme, namely the Community Assistance for Reconstruction, Democratisation and Stabilisation (CARDS), with an endowment of EUR 4.65 billion over the period 2000-2006, along with the implementation of asymmetric exceptional trade preferences. SAP was later developed further with the adoption of the Thessaloniki Agenda in June 2003,¹⁰ which provided it with some of the instruments used in the CEE accession process to better address the challenges facing Western Balkans in their adjustment to European Standards. These

³ The FRY was created in 1992 from the remnants of former Yugoslavia, namely Serbia and Montenegro. It came to an end in 2003 when the Union of Serbia and Montenegro was forged.

⁴ The EU simultaneously launched the Stability Pact (SP), adopted in Cologne in June 1999, following events in Kosovo. Unlike the SAP, which came into existence as a fully European initiative, the Stability Pact became an international instrument designed “to replace the previous, reactive crisis intervention policy in South-Eastern Europe with a comprehensive, long-term conflict prevention strategy” [See about the Stability Pact at: <http://www.stabilitypact.org/about/default.asp> (accessed 25 March 2006)].

⁵ The prospect of EU membership was offered explicitly for the first time at the European Council in Feira in June 2000. “The European Council confirms that its objective remains the fullest possible integration of the countries of the region into the political and economic mainstream of Europe through the Stabilisation and Association process ... All the countries concerned are potential candidates for EU membership” (See Santa Maria Da Feira European Council, Presidency Conclusions, 19 and 20 June, 2000). The prospect of European membership was reiterated and confirmed in Zagreb (See Zagreb summit, op. cit).

⁶ See Communication from the Commission, “The Western Balkans on the Road to the EU: Consolidating Stability and Raising Prosperity”, COM, 27 final, Brussels, 27 January 2006.

⁷ “The Western Balkan countries on the road to the European Union,” Europe online, available at http://ec.europa.eu/enlargement/enlargement_process/accesion_process/how_does_a_country_join_the_eu/sap/history_en.htm (accessed 12 October 2007)

⁸ See Zagreb Summit, final declaration, 24 November 2000.

⁹ See Communication from the Commission, COM, 27 final, op.cit.

¹⁰ Communication from the Commission to the Council and the European Parliament, *The Western Balkans and European Integration*, Brussels, 21 May 2003.

instruments included¹¹ the drawing up of European Partnerships, which set out the short-term and mid-term priorities for each country and defined the commitments that progress would be measured against. The Thessaloniki Agenda also instituted the EU-Western Balkans Forum, which meets periodically and brings together public officials from SAP countries and their EU counterparts. Finally, following a recommendation from the Commission in 2006, CARDS was replaced in 2007 with the Instrument of Pre-Accession (IPA), a new financial device aimed at streamlining disbursements associated with the process of EU accession.

SAP's conditionality framework – for participating in the process and receiving financial assistance – is based on the conditions laid out at the 1997 Council,¹² including cooperation with the International Criminal Tribunal for former Yugoslavia, willingness to re-establish economic cooperation with one another, the respect for democratic principles, human rights and minority rights, the rule of law, the privatisation of state-owned property and the introduction of a market economy. Failure to comply with the commitments is linked to the suspension of financial assistance. In addition, countries are compelled to meet additional criteria prior to the signing of a SAA. These are contained in the 1997 Council and set out on an individual basis depending on the state of the reform process. Finally, countries need to comply with the 1993 Copenhagen criteria to progress towards EU

membership,¹³ although they are not required to implement the *acquis communautaire* completely before the signing of a SAA; SAP rather represents the process whereby WB countries initiate their adjustment to the *acquis* and prepare themselves for entry into the EU. Only after the conditions laid out for the signing of a SAA are met are the countries concerned given a green light to sign the agreement, the first contractual relationship with the EU. After that, effective implementation of the SAA is a prerequisite for any further assessment by the EU of the country's prospects for accession. SAP thus represents the preparation stage for EU membership. It leads to the gradual implementation of both a free trade area and reforms designed to initiate the adjustment to EU laws and standards.

Croatia is the only country that has made significant headway towards EU membership under SAP, though even here the EU 2007 progress report warned of the need to speed up reforms and accelerate adjustment to EU standards.¹⁴ According to European officials, four factors explain why Croatia has progressed towards EU membership at a faster pace than other countries in the region. The first one is related to contingency issues, such as the death of former President Franjo Tudjman - which made cooperation with the Hague less complex - and the less pervasive impact of the war, which accelerated the transition process and the subsequent elimination of the legacies of the war and the post-war Tudjman era. The second set of factors are economically driven and include Croatia's ability to

¹¹ See "The Thessaloniki Agenda for the Western Balkans", Western Balkans Council Conclusions, Annex A, General Affairs & External Relations Council (GAERC), 15 June 2003.

¹² The 1997 criteria – which applies to all WB countries and also includes country-specific conditions - became the conditionality framework of the so-called EU Regional Approach. The Regional Approach was launched in 1996 to develop bilateral relations with the WB countries within "a framework which promotes democracy, the rule of law, higher standards of human and minority rights, transformation towards market economies and greater cooperation between those countries." The end-goal of this process was the signing of cooperation agreements with the countries concerned. The SAP thus is not a radical departure from previous policy instruments in place; the same conditionality and similar procedures (ie: bilateral negotiations and a merit-based approach) apply. What changes is what is at stake at the end of the process, namely the European perspective and the set up of SAAs, the Balkan version of the CEE's European partnerships, which require partial compliance with the Copenhagen criteria.

¹³ SAP thus draws heavily on the "pre-accession model" that took place in CEE not only in terms of the process – financial assistance and establishing contractual relations are dependent upon compliance with pre-defined prerequisites - but also in relation to the conditionality in place, namely the Copenhagen criteria, which involve benchmarking in three major fields: democracy and the rule of law (the political criteria), the existence of a functional market economy (the economic criteria) and the adoption of the *acquis communautaire* (the legal criteria). A fourth pillar, the administrative, has also become part of the conditionality package as of 1995, which requires the adjustment of relevant administration structures (ie: strengthening them for a more effective adoption and application of EU legislation).

¹⁴ A MEP has recently warned Croatian authorities of the need to speed up negotiations in order to keep Croatia on track for the 2011 deadline for EU accession. Delays over the formation of a new government after the 2007 legislative elections have slowed down negotiations with Croatia, which has opened only 16 out of the 35 chapters that need to be closed before accession. See Vucheva, Elitsa., "Croatia risks delay in EU membership, MEP warns," *EU Observer*, 11 January 2008.

transform its economy into a modern market economy, making compliance with EU requirements smoother. The third set of factors are political, the most significant of which is widespread political unity over the idea of EU membership. As one European official stated, since the death of Tudjman, Croatia has managed to design a coherent strategy for EU integration, concentrating and devoting all human and economic resources to this endeavor.¹⁵ The different role of the military in Croatia has also made EU accession smoother and easier from a political standpoint. Finally, external factors have likewise played a role in speeding up the reform process in Croatia, including the support of key European member states such as Germany and Austria and new members such as Hungary, Slovakia, Czech Republic and Slovenia.¹⁶ As a case in point, negotiations for EU accession were possible in October 2005 thanks to Austria's deal to drop its opposition to Turkey's candidacy on the condition that accession negotiations with Croatia started at the same time.¹⁷

Aside from Croatia, which gained official candidate status in June 2004 and opened membership negotiations with the EU at the end of 2005, the other WB countries are at different stages in their progression towards EU accession. Macedonia, for example, was the first country in the former Yugoslavia to sign a SAA with the EU in April 2001,¹⁸ but escalating violence between the two major ethnic communities – which intensified in March and May 2001 and brought the country to the brink of open civil war – put the brakes on Macedonia's bid for European integration in the years to come. Open warfare was avoided thanks to the signing of the EU- and NATO-sponsored Framework Agreement, the so-called Ohrid Agreement, on 13 August 2001 but Macedonia's

progress towards EU integration was delayed and conditioned upon compliance with the agreement, which became a key benchmark for assessing the reform process.

Macedonia gained the favor of the EU again in December 2005 – under the influence of the UK as chair of the EU presidency – when it was granted candidate status in recognition of the progress made. Notwithstanding the confidence boost provided by this, the fact that membership negotiations have not been opened since then suggests that it was more a political gesture than a real concession.¹⁹ The political crisis that followed the 2006 elections, which kept the government hostage to ethnic disputes and led to institutional paralysis for various weeks,²⁰ has cast doubts on the country's political maturity and prompted the EU to hold back on negotiations until further notice. Macedonian hopes of opening membership negotiations were dashed again in November 2007. The annual progress report insisted on the need for the country to further engage in the reform process and gave no clear indication of when accession talks would open.²¹

In BiH, the first major benchmark in the progress towards EU membership was the EU road map, which was presented to the Bosnian authorities on 9 March 2000 by External Relations Commissioner Chris Patten. After an extended period for compliance, the road map was "substantially" completed in 2002. The next step was taken in 2003 with the presentation of the feasibility study, aimed at providing an assessment of BiH's progress in order to permit the opening of SAA negotiations. Following compliance with the requirements, the European Commission recommended the opening of negotiations conducive to a SAA, which was approved by the Council in November 2005 and conditioned upon a further set of

¹⁵ Personal interview, European Council, Brussels, June 2006.

¹⁶ Personal interviews. European Commission. Enlargement Unit. Brussels, June 19, 2006.

¹⁷ Accession negotiations were being held since March 2005 over the handing over of war crimes indictee General Gotovina. Detention of Gotovina took place in Spain in December 2005 after the EU had officially opened negotiation talks with Croatia.

¹⁸ The SAA was not the first comprehensive contractual relationship between Macedonia and the EC. A Co-operation Agreement had been signed before on 27 April 1997.

¹⁹ Personal interview, Commission official, Brussels, June 2006.

²⁰ Ethnic-Albanian parties boycotted parliament for 16 weeks. See RFE/RL Newline, May 22 and 29, 2007.

²¹ EU Enlargement Commissioner Olli Rehn has recently expressed hope that the EU will agree to open negotiations with Macedonia during the 2008 (see "EU Raises Macedonia's Hopes," RFE/RL Newline Vol.12, N.14, PartII, 22 January 2008).

requirements, including that the country take measures: "to fully co-operate with the International Criminal Tribunal for the former Yugoslavia (ICTY), to implement the agreement on the restructuring of the police forces, to adopt and implement all necessary public broadcasting legislation and to ensure sufficient legislative and administrative capacity to implement the Agreement."²² The first round of talks took place on 26 January 2006, with negotiations being completed by the end of that same year.

Making headway with the SAA has, however, been more challenging than expected. Political infighting between ethnic communities and escalating nationalist rhetoric precluded an agreement on police reform prior to the deadline set by the EU in October 2007. The failure to meet this deadline led to one of the most heated political crises in BiH since the war, with outright confrontation running high not only between ethnic communities but also between domestic forces and the international community. Following the resignation of Prime Minister Spiric - which brought the country to a halt - over the set of measures enacted by the HR/EUSR Miroslav Lajcak to speed up the decision making process, Bosnian parties reached an agreement on an action plan for police reform in November 2007, putting BiH back on the EU track. BiH initialised an SAA on December 4 and the final signing will most likely take place in the coming months, depending on further progress on police reform and other requirements.²³

Accepted as a full participant in the SAP following the demise of Slobodan Milosevic in the 2000 elections, Serbia has experienced the bumpiest ride towards the EU. Transformed into the Union of Serbia and Montenegro in 2003, the SAP negotiations have

involved separate benchmarks and disbursement lines for both Kosovo and Montenegro.²⁴ Additionally, Serbia has been the only country to experience stalled negotiations for an extended period of time, because of its failure to deliver on SAP's requirement of cooperation with the ICTY. Negotiations with Serbia and Montenegro were called off in May 2006 and did not resume fully until June 2007, following a clear commitment by the country to achieve full cooperation with the ICTY.

Notwithstanding Serbia's declared commitment, cooperation with the ICTY continues to interfere with its European aspirations and keeps dividing European countries over how to proceed with the Balkan country. Though the EU decided to begin SAA talks with Serbia in November 2007, the handover of war crimes suspect Ratko Mladic to the ICTY has become an absolute requirement for some countries before an agreement is signed. But anxiety over the impact of Kosovo's independence has prompted divisions within the EU, with some European countries willing to turn a blind eye to such a requirement. Even though some countries have expressed unease over linking the Kosovo issue to granting Serbia a fast-track accession process,²⁵ the EU's official position seems to be leaning towards this veiled trade-off. On 14 December 2007, European leaders meeting at a EU summit stated that Serbia's "progress on the road toward the EU, including candidate status, can be accelerated".²⁶

In sum, the process of stabilisation and association in the WB suggests that even if a merit-based approach, where objective principles are said to apply, has been used to bring the Balkan countries closer to European standards, in practice political decisions, divisions within the EU over how to proceed and other

²² See Olli Rehn, "Perspectives for Bosnia and Herzegovina," Speech, European Parliament, Strasbourg, 15 February 2006. The Council also warned Bosnian ethnic groups that the new constitutions will have to be in effect before the October 2006 elections but political parties failed to pass the set of amendments previously agreed by political leaders on April 2006.

²³ Recent developments suggest that the EU could sign the SAA with BiH prior to meeting the outlined requirements to avoid after effects resulting from Kosovo's final status. See Onasa, "BiH To Sign Stabilisation And Association Agreement In February" January 3 2008, Quoted From BiH Media Monitoring, 4 January 2008.

²⁴ The twin track approach with Montenegro meant that both entities would negotiate separately on all policies, particularly customs and trade matters.

²⁵ The Greek Foreign Minister Bakoyannis has said, "at this crucial moment any attempt to link the European prospects of Serbia with the matter of Kosovo's future status would be counterproductive. It would be a mistake to link these two issues." See "Bakoyannis against Kosovo link to Serbia's EU prospects," ANA-MPA, 11 December 2007.

²⁶ See RFE/RL Newsline Vol. 11, No. 232, Part II, 17 December 2007.

shortcomings such as the failure to overcome inter-ethnic divisions, have taken primacy. Even though the EU has managed to offer short-term rewards including the participation of WB countries in community programmes such as the energy market²⁷ and other ad-hoc benefits such as a framework for visa liberalisation,²⁸ three key factors have tended to weaken the EU's model of inducements in the WB. The first of these is the EU's failure to present a united voice to give shape to its priorities in the region. The second is related to its failure to provide a credible European perspective. Finally, the third factor is the failing record in moving beyond ethnic quotas.

The inter-pillar challenge and the quest for unity

The post-conflict nature of the transition process in the WB and the challenges associated with it – including the launch of ESDP missions that fall into the Council's jurisdiction – have obliged EU policy in the WB to traverse the pillar structure and cut across the competences of both the Council and the Commission.²⁹ These institutions' differing actors, interests and working cultures have led to the formation of different priorities and procedures, undermining the EU ability to speak with one voice and stripping EU inducements of their potential for influence. As a Commission official stated, "on paper and formally, it is possible to make the EU speak with

one voice, but in practice this is very difficult, and less now with so many members. Messages are not firm and the EU cannot make clear promises."³⁰ While the Commission should have the leading role in the region, another Commission official stressed that in reality the deployment of forces and the conflicting interests of member states tend to make the Council's position overplay the Commission's. Moreover, the European presidency's shifting status has tended to make EU policy in the WB "change almost every day."³¹

This problem has been remarkable in the past with the differing priorities of each institution colliding on numerous occasions, contributing to confusion over the requirements that need to be fulfilled and weakening the incentive potential of long-term rewards. In BiH, for example, the Commission has always advocated an end to the Bonn powers and a return to local sovereignty, as it contradicts the spirit of the European project, but "the Council has been more cautious and keen on maintaining the international presence."³² Similarly conflicting approaches can be seen in other situations, such as Macedonia's upgrade to official candidacy under the British Presidency in 2005. "This was a political gesture to provide the region with stability, but now, as a result, the Commission has to deal with a very challenging and complex case for EU accession."³³ A similar constraint was forced upon the Commission with the creation of the EU-sponsored Union of Serbia and Montenegro in 2003. Though the Council's interest in promoting security and stability fostered the creation of this Union, it soon proved to be ill-suited to compliance with the Commission's requirements for implementation of the SAP. A European official recalls that once the Union was created, SAP negotiations became extremely unmanageable, involving a total of 15 members, 5 from Serbia, 5 from Montenegro and 5 from the Union.³⁴

²⁷ The EU signed a treaty establishing an energy community between the EU and southeastern Europe in October 2005. The participation of WB countries in community programmes and agencies was made possible after the adoption of the Thessaloniki Agenda in 2003.

²⁸ The EU has recently reached an agreement with WB countries on visa facilitation aiming to reduce costs of visa applications, especially for certain categories, and facilitate visa procedures.

²⁹ In contrast to the accession process in CEE – where the Commission remained the primary institution overseeing progress by the countries concerned – the EU's stabilisation and integration process in the WB has become a matter of competence for both the Commission and the Council.

³⁰ Personal interview, European Commission, Brussels, June 2006.

³¹ Personal interview, European Council, Brussels, June 2006.

³² Personal interview, European Commission, Brussels, June 2006.

³³ Personal interview, European Council, Brussels, June 2006.

³⁴ Personal interview, European Commission, Brussels, June 2006.

While the EU has attempted to tackle the problem of speaking with many voices by addressing institutional rigidity—the Reform Treaty is the most recent attempt – and calling upon EU members to drum up consensus, divisions within the Union are still rampant and make a heavy imprint on EU policy towards the region. In Serbia, for example, divisions over how to align the country with Europe in the face of clear defiance on the part of nationalist forces has led to tardiness in the EU response to key developments in the country. The problem in Serbia has been the need to reconcile two goals that seem incompatible, namely support for an EU-supervised independent Kosovo and bringing Serbia into the Western fold – which means full compliance with the EU-induced reform agenda and cooperation with ICTY. While various European countries support signing an SAA with Serbia as soon as possible – even if Mladic is not handed over to the ICTY, which remains a priority for countries like the Netherlands³⁵ – other countries remain doubtful about the wisdom of offering too many concessions.

Lack of resolution over Serbia has allowed domestic politicians to play EU divisions to their advantage, reducing the effectiveness of the sticks in the hands of the EU. As a case in point, playing on EU anxiety that Serbia might turn to extremist platforms and taking advantage of European indecisiveness over how to proceed with the Balkan country, Serbian Foreign Minister Vuk Jeremic recently suggested that the EU should sign the SAA with Serbia as soon as possible to prevent Serbian nationalist from coming to power. “Everybody is expecting the signing. So if it doesn’t happen ... it is going to be a significant blow,” he stated.³⁶ Furthermore, if nationalists come to power, he warned, “our goal of joining the European Union would probably end up being delayed for the next generation or more.”³⁷ Similarly, on 11 December 2007, Deputy PM Djelic said, “it is possible to imagine a different government in Serbia, which will not cooperate with

the Tribunal at all.”³⁸ But even if diverting Serbia from nationalism is seen by many as a legitimate justification for keeping Serbia under EU tutelage,³⁹ policy shifts, especially regarding the application of conditions, have tended to weaken the EU’s upper hand regarding developments in the region. As former HR in BiH Paddy Ashdown has recently stated, the EU’s predisposition “to relax its conditionality” on Serbia’s cooperation with the ICTY is responsible for the failure to bring Mladic and Karadzic to justice.⁴⁰ A similar situation has arisen in BiH with some European voices inclined to sign a SAA as soon as possible, even if the action plan for police reform has not yet been fulfilled.⁴¹

The issue of constitutional reform in BiH represents another example of how divisions within the EU have given domestic actors the opportunity to play on European divisions and reduce the EU’s ability for influence events in the multi-ethnic country.⁴² A party official in BiH stressed, “domestic actors perceive there is a fight between the major actors within the EU and use it to advance their interests and goals, be it just for the advancement of their goals or simple to buy time and do nothing, denying reality and what needs to be done.”⁴³ The issue of constitutional reform in BiH also represents the best example of how unclear benchmarking has left domestic politicians confused over how to proceed. Sociology Professor Dino Abazovic asserted that the role of the EU has always

³⁸ See Southeastern Europe news in RFE/RL Newline Vol.11, No. 229, Part II, 12 December 2007.

³⁹ The Czech Republic and Italy have been trying to drum up consensus on signing a SAA with Serbia as soon as January 2008, which falls between the first and second rounds of presidential elections in Serbia. The Czech Republic’s deputy premier responsible for European affairs Alexandr Vondra expressed a preference for a political approach towards Serbia at the EU summit in Brussels on December 14 and stated, “we must do our best to conclude the SAA (with Serbia) no later than the end of January” See “EU leaders Clash over Kosovo, Serbia,” *Europe News*, December 14, 2007.

⁴⁰ “Mixed Assessment by Ashdown” RFE/RL Newline Vol. 11, No. 231, Part II, 14 December 2007.

⁴¹ See Onasa, “BiH To Sign Stabilisation And Association Agreement In February” 3 January 2008, Quoted From BiH Media Monitoring, 4 January 2008.

⁴² Constitutional negotiations in BiH took place during 2005 and 2006. After heavy arm-twisting by the US and the EU, the BiH Parliament rejected the changes agreed by political leaders. See Sofia Sebastian, “Leaving Dayton Behind: Constitutional Reform in Bosnia and Herzegovina”, FRIDE, Working Paper 46, November 2007.

⁴³ Personal interview, HDZ BiH party official, Sarajevo, July 2007.

³⁵ Countries such as the UK, on the contrary, are inclined to accept signing a SAA with Serbia without Mladic being handed over, as long as Serbia clearly shows cooperation with the ICTY.

³⁶ See “EU Urged To Sign Deal To Stave Off Serbian Nationalist Threat,” RFE/RL Newline Vol. 12, No. 8, Part II, 11 January 2008.

³⁷ Ibid.

been very ambivalent. "In constitutional reform in BiH, they did not say what needed to be done, what are the standards and what are not. They do not send clear guidelines because it would open debates at home."⁴⁴

Similarly, Director of BiH's Directorate of European Integration Osman Topcagic stressed that during the constitutional deliberations "there was no single position from the EU".⁴⁵ Now, "you hear occasionally statements from European politicians, members of the EU Parliament, that Bosnia cannot join the EU with the current constitution... but it would help to have a better understanding of the requirements, to have a more general discussion. It has never been defined as part of the conditions to join the EU." This view is shared by a European official, who stressed that the general goal in BiH has been to assist in the development of a sustainable country so that the state meets European accession standards, "but there are not really standards in the real key areas where Bosnia needs to move forward, especially in police and constitutional reform."⁴⁶ Furthermore, given the different political alignment of member states with political forces in BiH, the EU has also, on occasion, contributed to confrontation among domestic players. German ambassador to BiH Michael Schmunk, for example, caused an outcry within the Serb community in August 2007 when he declared the country should be organised as a unitary state.

These criticisms have prompted the EU to adjust its strategy occasionally, although the lack of clear criteria continues to be an issue. As a case in point, criticisms over the EU's conduct on constitutional reform in BiH has compelled the organisation to include this issue as one of the key priorities for the next few years, but the EC has again fallen short of providing clear guidelines.⁴⁷ BiH authorities are simply

encouraged to "take measures to achieve more functional and sustainable institutional structures and better respect for human rights and fundamental freedoms, including by agreeing and adopting changes to the constitution of Bosnia and Herzegovina, as necessary".⁴⁸ Even if a few general guidelines are provided, along the lines of conferring on the Parliament enough technical and personnel resources and ensuring state/entity coordination, no reference is made to previous work carried out by BiH and international authorities, or to key constitutional deficiencies already identified by international institutions such as the Venice Commission.⁴⁹ Furthermore, it is not clear what the status of constitutional reform will be within the process of EU integration or whether constitutional reform will become an express condition for accession or simply a task that BiH will need to address in the following years with no specific timeframes.⁵⁰

Divisions within the EU have become accentuated in recent months as a result of the challenges emerging from Kosovo. It is still highly uncertain how the EU will proceed if the Security Council fails to adopt a resolution on Kosovo, but it is reasonable to assume that a lack of unity will bring further regional instability. Countries such as Cyprus, Slovakia and Romania are still unconvinced by the idea of recognising Kosovo's independence without a UNSC resolution, although only Cyprus is clearly opposed. At a meeting of EU foreign ministers in Brussels on December 10 all countries, except Cyprus, seemed to rally around the UK, France, Germany and Italy, which are firm supporters of Kosovo's independence, but EU efforts at simulating unity came to little.⁵¹ Romanian

progress towards the EU". See Commission Staff Working Document, *Bosnia and Herzegovina 2007 Progress Report*, COM (2007) 1430, Brussels, 6 November 2007, p.7.

⁴⁸ Council Decision on the principles and conditions contained in the European Partnership with Bosnia and Herzegovina and repealing decision 2006/55/EC, COM (2007) 657, Brussels, 6 November 2007, p. 6.

⁴⁹ See Venice Commission, "Opinion on the Constitutional Situation in Bosnia and Herzegovina and the Powers of the High Representative", Council of Europe, Venice, 11 March 2005.

⁵⁰ The priorities are based on an expectation that "Bosnia and Herzegovina can complete them or take them substantially forward over the next few years", Council Decision, COM (2007) 657, op.cit., p.5.

⁵¹ Swedish Foreign Minister Carl Bildt stressed on December 10, "there is virtual unity on Kosovo". See B92, "Kosovo status, Serbian

⁴⁴ Personal Interview, Sociology Professor Dino Abazovic, Sarajevo, May 2007.

⁴⁵ Personal Interview, DEI Director Osman Topcagic, Sarajevo, July 2007.

⁴⁶ Personal interview, European official, Sarajevo, December 2006.

⁴⁷ The inclusion of constitutional reform as one of the key priority areas is based on the belief that BiH's constitution "prevents swift decision-making and therefore hinders reform and the capacity to make

Defense Minister Teodor Melescanu sided against any unilateral declaration of independence on December 16, immediately after the meeting of EU foreign ministers, and said that it “could have a very negative effect on the entire region.”⁵² Similarly, Greek Foreign Minister Dora Bakoyannis said on December 11 “there is no good or easy solution for Kosovo and no one has proposed one to date.”⁵³

But even if Europe manages to stand together over the recognition of Kosovo – which is highly uncertain at this point – its unity will be further challenged once Kosovo’s status is resolved. The first of these challenges will involve the form and status of the future EU mission to Kosovo in the absence of a UNSC resolution authorising it; it is still uncertain whether hesitant countries will support a EU mission under such conditions.⁵⁴ Another question remains over how the EU’s relationship with Serbia will be affected by its response to Kosovo’s independence. Even if violence has been abandoned by Serbian authorities,⁵⁵ it is still unclear what direction the Balkan country will take following Kosovo’s independence and how the EU will respond to such events. Recent statements by Serbian authorities hinting at the cessation of relations with countries that recognise Kosovo could pose additional dilemmas for the EU’s relationship with Serbia, again playing on EU disunity and bringing the SAP to a

temporary halt. How these issues are managed within SAP will provide a significant test for EU unity.

In sum, while the EU has successfully managed to define its Balkan vision in a much clearer way since the launch of SAP in 1999, and has also managed to give a European rationale for reform in the region, it has still continued to send mixed signals, undermining the potential of its inducements to work. As a result, not only has the EU been perceived as speaking with two voices, which has profoundly affected the way domestic elites regard the process of European integration;⁵⁶ it has also produced contradictory, conflicting policies in the region, opening the door for politicians to play on EU’s divisions. Even if the imminence of the Kosovo challenge, which is threatening to unravel politics elsewhere in the Balkans, seems to have compelled the EU to act with resolution – recent events in BiH, for example, are a good indication of a renewed European resolution –, the EU needs to keep up the engagement and drum up consensus around some of the key policy dilemmas that threaten to destabilise the Balkan region in the coming months.

Enlargement or Balkan fatigue?⁵⁷

In addition to the often conflicting voices within the EU, so-called “enlargement fatigue” and the failure to deliver on the European perspective offered to the WB in 2000 have also compounded the problem of failing inducements. There is widespread confusion within the EU not only about the way to approach major challenges in the region, but also about the direction the EU should take regarding the next enlargement round. Even if the Reform Treaty agreed in Lisbon on 18 October 2007 has partially resolved some of the

integration on EU Agenda,” Brussels, 10 December 2007. Similarly, British Foreign Secretary David Miliband stated, “I think there was a really strong sense of unity around the table today, a determination that Europe would provide leadership on this issue”. See Onasa, “EU Moves Closer To Common Stance On Kosovo Independence: Ministers,” December 20, 2007, quoted from BiH Media Monitoring, 11 December 2007.

⁵² “Romania Breaks Ranks With EU over Kosova,” RFE/RL Newsline, Vol. 11, No. 230, Part II, 13 December 2007.

⁵³ “Greece Says ‘Too Early’ For Kosovar State,” RFE/RL Newsline Vol. 11, No. 230, Part II, 13 December 2007.

⁵⁴ Onasa, “EU Moves Closer To Common Stance On Kosovo Independence: Ministers,” 10 December 2007, quoted from BiH Media Monitoring, 11 December 2007.

⁵⁵ Serbian President Tadic stressed on December 7, that “war and violence would, for sure, jeopardise the possibility that Kosovo could remain part of Serbia and also the basic interests of the people”. Similarly, a deputy of the nationalist Serbian Radical Party (SRS) Dragan Todorovic stated, “We are not for war. We are for a solution that can ultimately be found in line with Russia’s position.” These comments reject earlier statements by Predrag Simic, PM Kostunica’s advisor, who suggested that war was one of the means Serbia could use against an independent Kosovo. See: “Talk Of War Rejected By Serbian President”, RFE/RL Newsline Vol. 11, No. 227, Part II, 10 December 2007.

⁵⁶ Emerson, Michael., et al., 2005, “The Reluctant Debutante, the European Union as Promoter of Democracy in its Neighbourhood”, CEPS Working Document, No. 223/July 2005.

⁵⁷ The term Balkan fatigue instead of enlargement fatigue was raised at a seminar sponsored by the EU Institute for Security Studies in Dubrovnik, Croatia, in November 2006.

institutional dilemmas created by the rejection of the constitution in 2005, the EU is slowly awakening from a process of internal reflection which causes political tension⁵⁸ within the Union and prevents consensus on the issue of EU enlargement. While the commitment to Balkan integration has not been turned down and the enlargement machinery continues to reproduce itself, thanks primarily to the duty of the Commission to comply with the EU's previous commitments, there are strong disagreements not only between the Commission and the Council but also among member states as to how to go about the next enlargement round.

The Council meeting in Zalzburg in March 2006 brought to light strong disagreements within the Union over how soon Balkan countries should join the EU or whether they should ever do so. Though there were welcoming words for the WB – the final communiqué confirmed EU membership as the ultimate goal for the WB –, the introduction of such wording was largely the result of pressure exercised by Balkan countries which would not accept a general reference to eventual EU accession.⁵⁹ Furthermore, member states placed additional hurdles in the pathway of EU accession,⁶⁰ as the organisation's absorption capacity would need to be tested before further enlargement could be considered.⁶¹ The concept of "absorption capacity", which was mentioned for the first time in the 1993 Copenhagen Summit, thus became intertwined with the

accession process in the WB – acknowledged by the 2005 and 2006 enlargement strategy paper⁶² – and some member states even hinted at the possibility of adopting alternative strategies for the WB. German chancellor Angela Merkel for example stated on 15 March 2006 that the EU was considering a "privileged partnership" for the WB as an option for closer ties with the EU.⁶³ Growing doubts over the merits of enlargement were confirmed in the end-of-year summit in Brussels in December 2006 where some argued for making further enlargement dependent on the reform of EU institutions.⁶⁴ As a result, the enlargement process in the WB has become not only more uncertain but also more cumbersome than previous rounds. "The introduction of the absorption capacity has meant in reality that there are three new conditions in place, namely the economic absorption capacity, the institutional one and the preparedness of European public opinion."⁶⁵

Notwithstanding the existence of voices expressing firm support for enlargement – namely the UK and new member states – divisions have cast major doubts on the prospect of EU membership and affect domestic players' calculations. This has had a major impact on countries such as BiH and Serbia, where local politicians have adopted a passive approach towards EU reform process, "delaying or avoiding key issues".⁶⁶ Politicians and society alike have also grown disengaged from the European idea, especially in countries such as Serbia where politicians continue to play the nationalist card to the detriment of the European project and public support for EU membership has plummeted from 73 percent in 2003

⁵⁸ Mahony, Honor, "Unclear EU Treaty Provisions causing 'nervousness,'" *EU Observer*, 28 November 2007, available at <http://euobserver.com/9/25234> (accessed 29 November 2007).

⁵⁹ Beunderman, Mark., "EU Membership Goal Clarified under Balkan Pressure," *EU Observer*, 11 March 2006. See: <http://euobserver.com/9/21107> (Accessed 11 March 2006).

⁶⁰ "EU sets tougher hurdles for Balkans Entry," in *Monsters And Critics*, March 11, 2006. See: http://news.monstersandcritics.com/europe/printer_1136313.php (Accessed 11 March 2006). See also NIS News Bulletin, "Netherlands: Too Early for EU Membership Date for Balkans," 14 March 2006. See: http://www.nisnews.nl/public/140306_2.htm (Accessed 14 March 2006).

⁶¹ The summit conclusions, in their final form, said: "To sustain the integration capacity of the EU the acceding countries must be ready and able to fully assume the obligations of Union membership and the Union must be able to function effectively and to develop." See BBC news, "EU hardens tone on enlargement," 15 December 2006, See: <http://news.bbc.co.uk/2/hi/europe/6181845.stm> (accessed 29 November 2007). For a discussion on the absorption capacity of the EU, see Emerson (et al), "Just what is this 'absorption capacity' of the European Union", CEPS policy briefs, No. 113, September 2006.

⁶² See Communication from the Commission to the Council and the European Parliament, 2006, "Enlargement Strategy and Main Challenges 2006-2007", including annexed special report on the EU's capacity to integrate new members, COM (2006) 649, Brussels, 8 November 2006.

⁶³ Krasniqi, Ekrem., and Beunderman, Mark., "Merkel moots 'privileged partnerships' for Western Balkans," *European Observer*, March 17, 2006.

⁶⁴ With countries such as the UK rejecting such a link. See BBC news, "EU hardens tone on enlargement," 15 December 2006.

⁶⁵ Personal interview, European Commission, Brussels, June 2006.

⁶⁶ Batt, Judy., "the EU's Foreign and Security Agenda and the Western Balkans," a Joint Seminar of the EU Institute for Security Studies, Dubrovnik, 3 November 2006.

to less than 60 percent in 2006.⁶⁷ Furthermore, the EU's wobbly approach towards Serbia has made almost 50 percent of the population in this country believe that the policy of constant conditioning and blackmailing is the main obstacle to Serbia's European bid.⁶⁸ In BiH, "nationalistic rhetoric [has] undermined the country's reform agenda"⁶⁹ and politicians such as Republika Srpska PM Milorad Dodik have challenged the European project.

In a recent security note released by the EU's Institute for Security Studies on the challenges facing the organisation in the region, Judy Batt asserted that the EU's lack of credibility has made it appear weak, indecisive and unreliable in the face of local politicians in the region. "The incentives offered by the SAP do not offer enough, soon enough, to alter politicians' calculations and reshape their short-term interests and strategies for maintaining power. SAA-related reforms are costly to implement ... and the time-horizon is a long one."⁷⁰ Similarly, an official from the European delegation in Sarajevo stated that EU hesitation over the next enlargement has "had a clear impact in BiH. They know that major reform is unpopular and the EU is not offering a short-term perspective but is a long way off, so it does not give the actors incentive to move forward. ... Governments stay in power for four years so they tend to be very short-term oriented. And we blame them for having a short-term perspective but we are not capable of offering them anything."⁷¹ A EUSR official also agreed that the EU had a great impact on

the political discourse in BiH. "The bottom line is why bother, the future is so distant."⁷²

Despite the fact that the EU has kept the machinery going and the agreement on the Reform Treaty will very likely make enlargement more viable, the 2007 enlargement strategy released in November failed to provide a clear timeframe for future accession. Even if the issue of having the WB follow an alternative path has not been raised since Chancellor Merkel's statements, the absence of a clearer timeframe for accession denotes uneasiness on the part of the EU about the next enlargement, with the Turkey factor contributing to Europe's discomfort. The problem is that there are, as one European official explained, two incompatible agendas:⁷³ on the one hand, there is the need that the offer of European accession be clearer and more tangible than ever before in order to soften the impact of Kosovo's final status in the region. The initiation of a SAA with Serbia in November 2007 should thus be understood in this context. And on the other hand, the EU's internal crisis and the reluctance of some member states' to deepen the enlargement commitment has tended to slow down the pace of the process and leave a big question mark over prospects for the WB joining the EU in the foreseeable future. A Commission official also stressed, "the problem is that the EU and the international community do not have a strategic vision of the region. There are some general goals, like integrating the region into the EU, but with respect to engaging further and dealing with big challenges, the region is moving not because we've thought thoroughly about it but because it's pulled along by previous commitments."⁷⁴

Both the Commission and the European Parliament, which take a more committed stand on Balkan integration, have criticised the Council's ambiguous position. EC enlargement commissioner Olli Rehn voiced concern in a speech delivered to MPs in

⁶⁷ European support seems to be shoring up again, however. A recent opinion poll in December showed that 69 percent of Serbs supported Serbia's entry into the EU. For 2006 figures, see "Serbia's EU Dilemma," *B92 News*, 1 August 2006. For 2007 figures, see "Most Serbs Favor EU Membership, Oppose NATO," *RFE/RL Newline*, Volume 11, Number 232, 17 December 2007.

⁶⁸ Only 20 percent believe obstruction is due to Serbia's non-compliance with international obligations [see the opinion poll conducted by Serbia's EU Integration Office, "European Integration of the Citizens of Serbia: Trends," Belgrade, 31 June 2007, available at www.seio.sr.gov.yu]

⁶⁹ Commission Staff Working Document, COM (2007) 1430, op.cit., p. 5.

⁷⁰ Judy Batt, "Bosnia and Herzegovina: Politics as 'War by other Means' Challenge to the EU's Strategy for the Western Balkans, Institute for Security Studies EU, IESEU/COPS/INF(07)09, Institute Note, 19 November 2007.

⁷¹ Personal interview, European official, Sarajevo, December 2006.

⁷² Personal interview, EUSR official, Sarajevo, December 2006.

⁷³ Personal Interview, European Commission Enlargement Unit, Brussels, June, 2006.

⁷⁴ Personal interview, European Commission, Brussels, June 2006.

Strasbourg after the Salzburg meeting arguing, “if we were to go wobbling about the Western Balkans’ European perspective, our beneficial influence would be seriously eroded, just when the region enters a difficult period of talks on Kosovo’s status.”⁷⁵ One European official asserted that while the issue of economics was significant in previous enlargements, “the absorption of the Western Balkans will not cause major economic distress for the Union: it is a relatively small market (Western Balkan population equals that of Romania) and its absorption into the EU would require a relatively small economic effort compared to the effort made in the previous enlargements.”⁷⁶ The last chairman of the former Stability Pact for South-East Europe, Erhard Busek, also affirmed that the integration of the Balkans into the European club would cost less to the organisation than if it was left out.⁷⁷

Both the recent Greek initiative presented in November 2007 and France’s transformed stance on enlargement indicate a new shift within the EU in relation to the accession of the WB. Following the release of the SAP annual report, Greek Foreign Minister Dora Bakoyannis presented a series of proposals – the so-called Greek package – to boost European progress in the WB and counterbalance the grim prospects contained in the reports. Aiming to invigorate the Thessaloniki agenda and Greece’s role in the WB, some of the measures included the allocation of further European funds and a plan for visa liberalisation for Macedonia, BiH, Serbia and Montenegro. The Greek initiative also encouraged the Union to sign SAAs with the remaining countries as soon as possible and grant candidacy status to all countries prior to 2009.⁷⁸ “A clear accession policy for the countries of the region is the most important and perhaps the most effective tool in order for these countries to overcome political,

social and economic weaknesses and challenges and converge with the rest of Europe,” foreign ministry spokesman George Koumoutsakos said.⁷⁹ Following Greece’s initiative, EU leaders agreed in the EU Council on December 14 “to proceed to a substantial debate in the first half of 2008 on the European prospects of all western Balkans.”⁸⁰

Similar messages have started to spread in other European capitals to boost confidence in the region. In addition to Slovenia’s stated goal of bringing the WB to the top of the EU agenda for the coming months, France has also confirmed a renewed commitment to the European perspective in the WB. In December 2007, the French government outlined an institutional reform bill that, if approved, will remove the referendum requirement for new EU members.⁸¹ Additionally, even if reluctance over EU expansion to include Turkey is still pervasive, minister for Europe Jean-Pierre Jouyet has stated that President Sarkozy has abandoned Chirac’s resistance to enlargement and confirmed France’s interest in pushing for EU expansion in the WB in the second half of 2008, when France will take over the rotating presidency.⁸²

Provided that European countries continue to follow up on this renewed commitment for further enlargement in the WB, it now up to the WB countries to present a credible case for their membership and to live up to the incipient, renewed EU commitment. The WB will thus have to make sure that the so-called “Balkan fatigue” – ie: the lack of progress in the reform agenda and ongoing instability in the region – does not prevent member states from disengaging in further enlargement. As a Western diplomat in BiH stated, “even if the danger of the impact of enlargement fatigue in domestic politics is still real,

⁷⁵ Dtt.net.com, “EP, EC warns European Capitals for Doubts on Accession of Balkans” Strasbourg, 16 March 2006; Dtt.net.com, “UK Says EU Door Must Remain Open for Balkans,” London, 21 March 2006.

⁷⁶ Personal Interview, European Commission, Brussels, June 2006.

⁷⁷ Dtt-net.com, “Membership of Balkans costs less to EU than if it remains out,” Skopje, Dtt-nett.com, 23 April 2006.

⁷⁸ See Makfax Online, “Greek tables set of proposals on Western Balkans,” 20 November 2007.

⁷⁹ “Foreign Ministry Outlines Details of Western Balkans Proposal,” 21 November 2007. Available at www.greekembassy.org (accessed 23 November 2007).

⁸⁰ Greek Foreign Minister Bakoyannis, quoted in “FM Bakoyannis at General Affairs Council meeting in Brussels,” Athens News Agency, Daily News Bulletin Issue No: 2770, December 2007.

⁸¹ See AFP, “France in favour of EU enlargement,” 8 January 2008.

⁸² “France Champions EU Enlargement In Balkans”, RFE/RL Newsline Vol. 12, No. 7, Part II, 10 January 2008.

these countries need to do as much as possible as soon as possible so as to make it impossible for the EU to say no or to delay entry".⁸³

Stabilisation and inter-ethnic divisions⁸⁴

One of the greatest challenges facing the EU's approach towards the WB has been assisting the countries in the region to overcome deep inter-ethnic divisions that have become institutionally and politically embedded. This particular challenge has been most disruptive in cases such as BiH and Macedonia - where a complex set of power-sharing guarantees have been secured in the constitution - and will be critical in Kosovo following the end of the international administration. But EU's understanding of such complex and socially unstable environments has been rather limited.⁸⁵ In contrast to its (reasonably successful) experience in assisting relatively homogenous countries to adjust formally to EU standards, the EU has been less effective in compelling change in contexts where the state is challenged by inter-ethnic divisions.⁸⁶

Notwithstanding the prominence of the ethnic problem and the dysfunctional nature of institutions in the WB,

⁸³ Personal interview, Western diplomat, Sarajevo, December 2006.

⁸⁴ This section focuses exclusively on EU assistance towards inter-ethnic issues under CARDS. It does not consider the role that minority rights and minority protection (as stated in the Copenhagen political criteria and the conditions contained in the 1997 Council) plays within SAP's conditionality framework. The issue of minority rights is afflicted with a different set of problems, including the lack of a EU legal basis (for further discussion on this issue see Sasse, Gwendolyn., 2005, "EU Conditionality and Minority Rights: Translating the Copenhagen Criterion into Policy," EUI Working Papers, RSCAS No 2005/16).

⁸⁵ The enlargement process requires and presupposes the existence of an effective state to adjust and implement the *acquis communautaire* and other EU standards.

⁸⁶ Indeed, while previous enlargement rounds were tailored for countries with functioning states and relatively homogenous societies, the WB on the contrary presents a rather different political landscape: the political and economic transition has overlapped with a broader process of nation and state building that has been simultaneously challenged by entrenched war legacies and problems of inter-ethnic coexistence. The simultaneity of all of these processes has put a heavy strain on the functionality of the state, which has often been rendered ineffective in the face of antagonistic political elites and dysfunctional institutions.

the EU's strategy under SAP has tended to build upon the previous enlargement round and focus on formal institutional structures⁸⁷ and legal frameworks⁸⁸ to the detriment of other norms and forms of political stabilisation and inter-ethnic dialogue.⁸⁹ Also, though SAP provided CARDS with the task of assisting the WB in both adjusting to European standards and overcoming inter-ethnic divisions and the legacies of war as a way to "stabilise" the region,⁹⁰ the EU has fallen short of addressing the latter in a practical manner and with appropriate resources. As a European official who participated in the CEE enlargement round stressed, "the approach in the WB, as in the CEE, is too formalistic; it's mainly about crossing out a list of activities, but the WB challenge is more complex".⁹¹

Since the first SAP annual report released in 2002, European officials have recognised the ethnic complexity of the WB and hinted at the need to adjust the process of enlargement to the particular conditions of the region.⁹² The Thessaloniki summit, for example,

⁸⁷ Personal Interview, European Parliament, Brussels, June 2006.

⁸⁸ The issue of minority rights, for example, is based on international legal standards such as the Council of Europe's Framework Convention on National Minorities and best EU practices.

⁸⁹ While various studies have been devoted to power-sharing institutions and their impact on divided societies, less attention has been given to the study of non-institutional devices that counterbalance the divisive effects of power-sharing arrangements. Some recent studies - based on the assumption that ethnicity can be altered or modified - have emerged in recent times, however. Jarstad, for example, stresses that the challenges facing post-war democratisation are not only related to building institutional capacity to deal with divisive issues (which has been the primary focus of most democracy promotion programmes in post-war interventions), but also to supporting the transformation of norms (attitudes) and compliance to these norms (behavior). Democracy promoters thus should look not only at how to build institutions but also how to support the transformation of patterns and norms of behaviour (See Jarstad, Anna., "International Assistance to Democratisation in Bosnia and Herzegovina, Kosovo and Macedonia," Synthesis Report, Department of Peace and Conflict Research, Uppsala University, 2005).

⁹⁰ CARDS regulation focuses on supporting WB countries in four major areas: (1) Reconstruction, democratic stabilisation, reconciliation and the return of refugees. (2) Institutional and legislative development, including harmonisation with EU norms and approaches. (3) Sustainable economic and social development, including structural reform. (4) Promotion of closer relations and regional cooperation among SAP countries and between them, the EU and the candidate countries of central Europe. See European Commission, "CARDS Assistance Programme to the Western Balkans: Regional Strategy Paper, 2002-2006," Brussels, p.3.

⁹¹ Personal interview, European Commission, Brussels, June 2006.

⁹² It was precisely this issue, ie: inter-ethnic tensions and conflict, which encouraged the EU to launch SAP: "Countries of South-Eastern Europe have, for the last decade, enjoyed a great deal of support from

stated that “the EU supports activities initiatives in the Western Balkan countries promoting social cohesion, ethnic and religious tolerance, multiculturalism, return of refugees and internally displaced persons and combating regressive nationalism.”⁹³ Similarly, the CARDS strategy paper for the period 2002-2006 stressed, “the process of democratic stabilisation is far from complete and the treatment of minorities lies at the heart of the problem. All SAP countries have substantial minority populations with long histories of inter-ethnic conflict but also, at times, of accommodation and cooperation.”⁹⁴ More recently, the Council encouraged political parties in Macedonia “to deepen political dialogue and cooperation, including on inter-ethnic relations, in order to move ahead in the accession process.”⁹⁵ The 2007 enlargement strategy paper also stressed, “in Bosnia and Herzegovina, nationalist rhetoric by key political leaders is challenging the arrangements established by the Dayton/Paris peace agreement and has stalled reforms⁹⁶... The region as a whole needs to move forward in building modern democracies and developing a political culture of dialogue and tolerance.”⁹⁷

But a gap between EU’s declared goals and actual efforts on the ground has emerged, contributing to EU’s inability to prompt Balkan societies to move beyond ethnicity as a base of political and social organisation, especially in those cases where ethnic divisions are rampant. This gap has been prominent on two respects: (1) on the (ill-defined) formulation of

the international community in general and the European Union in particular. Despite this, they have continued to suffer from inter-ethnic tensions and conflict ... A new approach to peace and stability ... is urgently needed”, see Conclusions of the General Affairs Council of 21 June 1999, based on the Commission Communication to the Council and the European Parliament on the Stabilisation and Association processes for countries of southeastern Europe, COM(99)235 of 26.5.99, p.1.

⁹³ The Thessaloniki summit, op.cit.

⁹⁴ See European Commission, CARDS Assistance Programme, op.cit., p. 9.

⁹⁵ General Affairs and External Relations Council, “Council Conclusions on the Western Balkans,” 2840TH External Relations Council Meeting, Council of the EU, Brussels, 10 December 2007.

⁹⁶ Communication from the Commission to the Council and the European Parliament, 2007, “Enlargement Strategy and Main Challenges 2007-2008”, COM (2007) 663, Brussels, 6 November 2007, p. 5

⁹⁷ Ibid, p.17 n.8.

“(democratic) stabilisation”, the component of the SAP that is designed to address post-conflict issues and which has been practically subsumed under assistance to refugee return (and reconstruction); and (2) on the distribution of resources, with the increasing divide between funds devoted to democratic stabilisation on the one hand and institution building and economic development on the other, to the detriment of the former. This gap confirms that the EU has failed to provide a well-defined framework for understanding and addressing the policy implications of promoting “(democratic) stabilisation” while assisting in the process of European membership. As a European official acknowledged, “there is a big institutional problem. We thought at the beginning that this was a post-conflict situation. Then we needed to do institution building but we didn’t have any recipe for addressing these problems. We didn’t know how to do this and we were even developing our own identity.”⁹⁸

CARDS’ allocations for democratic stabilisation provide ample evidence of the emphasis placed on refugee return to the neglect of other activities that could additionally serve as the foundation for building trust among ethnic communities. From 2001 to 2006, before IPA’s entry into force, democratic stabilisation efforts in the WB were devoted to two main priority areas, namely refugee return and civil society. Of these two, refugee return received the great majority of funds available, while civil society figured marginally (see tables in annex).⁹⁹ In BiH, for example, refugee return received around 25, 24, and 20 million euros per year over the 2001-2003 period,¹⁰⁰ while civil society and media reform received less than 3 million in 2001, a figure which plummeted to 1 million in 2003.¹⁰¹

⁹⁸ Personal interview, European Commission, Brussels, June 2006.

⁹⁹ The EU allocates additional funding for civil society in the WB under EIDHR and CARDS, although the latter also includes funding for refugee return on a regional basis. (See European Commission, Cards Regional Programme, op.cit., p. 35).

¹⁰⁰ The objective is “to consolidate and support sustainable returns, particularly spontaneous and regional returns and to strengthen the capacity of the local authorities to manage the return process”, See European Commission, Bosnia and Herzegovina, Country Strategy Paper 2002-2006, Annex 1, Multi Annual Indicative Programme, p.1.

¹⁰¹ Similarly, in Croatia, refugee returns received around 15 million euros per annum over the 2002-2004 period, whereas civil society was allocated 2 million per annum.

Similar gaps between refugee return and civil society allocations were common in countries where refugee return was a priority.¹⁰² As an official of the EU in BiH stressed, "The EU has not been good at investing in civil society. It has been very limited."¹⁰³ A Western diplomat also agreed that in contrast to Croatia, in BiH "the Commission has not had a consistent approach towards civil society."¹⁰⁴

In addition to the allocation gap, civil society programmes have fallen short of addressing inter-ethnic deficits in Balkan societies, despite the numerous pledges to devote SAP funds to this end. The 1999 Commission report marking the launch of the SAP, for example, claimed, "particular emphasis will be given, through civil society organisations, to the post-conflict rebuilding of consensus, to conflict resolution and to the lightening of the psychological burden consequent to war."¹⁰⁵ Similarly, the Thessaloniki agenda asserted, "the EU places high priority on initiatives and activities aiming at reconciling for the future, through overcoming legacies of the past, which are obstacles to normalisation and democratic development. In this respect, the role of education, social development and culture is essential in changing mentalities, promoting tolerance, ensuring ethnic and religious coexistence and shaping modern democratic societies."¹⁰⁶

Assistance programmes have however failed to include these goals in their activities. Civil society programmes in BiH, for example, have been mostly devoted to media reform in order "to develop the technical and management capacities of public broadcasting sector,"¹⁰⁷ which suggests an approach towards civil

society that is institutionally based rather than oriented towards altering patterns of social and political behaviour.¹⁰⁸ Similarly, civil society programmes in FRY and Croatia have been related to university education and human resources, civil society strengthening and media reform along similar lines.¹⁰⁹ While the Commission reckoned in 2006 that progress in these areas had lagged behind and "greater effort is needed,"¹¹⁰ there is no indication that IPA priorities will differ from those of CARDS and it is very likely that civil society programmes will continue to be funded along similar lines. The 2007 enlargement strategy has hinted at setting in motion a new facility to boost the development of civil society but it has failed to link this new initiative to reconciliation and inter-ethnic coexistence.

In a few instances, civil society programmes have been complemented by those managed by the European Initiative for Democracy and Human Rights (EIDHR), as stipulated by CARDS strategy papers.¹¹¹ Projects and activities under EIDHR, however, have also fallen short of supporting confidence-building measures between ethnic communities and addressing inter-ethnic relations. Most EIDHR projects in the WB have focused on supporting vulnerable groups and refugee rehabilitation, promoting human rights and education, and strengthening NGOs (although no emphasis is made on building civil society across ethnic lines). Even when minority groups have been the focus of EIDHR programs, they have been mostly directed towards the Roma community, with a few exceptions. Only around

¹⁰² Except for the case of FYR, including Kosovo, in which democratic stabilisation does not figure as a separate line until 2005. In FYR, most allocations were directed towards economic reconstruction and were managed by the European Agency for Reconstruction.

¹⁰³ Personal Interview, EUSR official, Sarajevo, December 2006.

¹⁰⁴ Personal Interview, Western diplomat, Sarajevo, December 2006.

¹⁰⁵ Conclusions of the General Affairs Council of 21 June 1999, based on the Commission Communication to the Council and the European Parliament on the Stabilisation and Association Process for countries of South-Eastern Europe, COM(99)235 of 26.5.99, p. 5.

¹⁰⁶ See Thessaloniki agenda, op.cit.

¹⁰⁷ European Commission, "Bosnia and Herzegovina, Country Strategy Paper 2002-2006", Annex 1, Multi-Annual Indicative Programme, p. 3.

¹⁰⁸ Media support continued to be the focus of civil society allocations in BiH over the period 2005-2006. The programmes implemented included: "The provision of capacity-building assistance to strengthen technical and management capacities of the PBS (Public Broadcasting Service); The provision of capacity-building assistance to the CRA (Communication Regulatory Agency)." European Commission, CARDS Assistance to Bosnia and Herzegovina: Multi-Annual Indicative Programme, 2005-6, Annex 1(a), p. 12.

¹⁰⁹ See European Commission, "FYR Country Strategy Paper 2002-2006"; European Commission, "Country Strategy Paper for Croatia, 2002-2006", CARDS, Annex 1, Multi-Annual Indicative Programme 2002-2004, p. 37.

¹¹⁰ Communication from the Commission, "The Western Balkans on the Road to the EU: Consolidating Stability and Raising Prosperity", COM (2006) 27 final, Brussels, 27 January 2006, p. 5

¹¹¹ Countries such as Serbia and BiH have been target countries for support under the European Initiative for Democracy and Human Rights (EIDHR) as indicated in the CARDS strategy papers for such countries.

10 percent of the projects financed under EIDHR in the period 2002-2006 have been directly devoted to ethnic confidence building and inter-ethnic dialogue,¹¹² including some projects that focus on the situation of minorities (excluding the Roma population) and returnees.¹¹³ The marginality of these projects demonstrates that these issues have not been a priority under these programmes. Furthermore, no single project has been aimed at reaching reconciliation between ethnic communities at the political level, which is one of the key problems affecting the reform process in the WB, especially in countries such as BiH and Macedonia.

Only Macedonia has presented a framework in which inter-ethnic relations are explicitly included in the overall EU strategy of the country. Compliance with the Ohrid agreement – a peace agreement that is oriented towards setting up confidence building measures between ethnic communities and guaranteeing minority representation in government institutions – has become a key benchmark within SAP.¹¹⁴

Unfortunately, notwithstanding the linkage established between SAP and the Ohrid agreement, support for inter-ethnic programmes under CARDS in Macedonia have also been beset by similar problems to those listed above, namely the lack of resources. For example, CARDS assistance to inter-ethnic relations amounted to just 9 million euros out of a total of 130 million euros for the period 2002-2004.¹¹⁵ For the period

2005-2006, inter-ethnic relations were given 2 million out of a total of 70 million under the rubric of “protection of ethnic minorities”.¹¹⁶ Though the Ohrid agreement promotes inter-ethnic confidence building measures in various areas where ensuring minority representation is a priority, the absence of a section fully devoted to inter-ethnic relations under SAP shows the gap between the EU’s declared policy and its actual efforts on the ground.

In addition to the inordinate focus on refugee return within stabilisation, there has also been a growing disparity between the funds devoted to democratic stabilisation and other priorities such as institution building, administrative reform and socioeconomic development.¹¹⁷ Even if democratic stabilisation and refugee return received significant resources under CARDS in the early years of its implementation, allocations have decreased significantly since 2003. In BiH, for example, allocations for democratic stabilisation went down from around 20 million euros in 2003 to around seven in 2004 and three in 2005 and 2006. This means it has gone from being the most important issue under CARDS to coming last after administrative capacity building, justice and home affairs, and economic development. In Serbia and Montenegro, even if there was not a separate line for democratic stabilisation and refugee return until 2005-2006, later allocations show a similar trend.

¹¹⁶ The objective is: “to support the Government in the process of full implementation of the Framework Agreement, ease inter-ethnic tensions and contribute to the consolidation of the country’s political stability. To ensure substantial progress towards meeting the requirements of the Framework Agreement with respect to representation of non-majority ethnic groups in the public administration.” CARDS Assistance to the Former Yugoslav Republic of Macedonia, Multi-Annual Indicative Programme 2005-2006, annex 1 (a), p.7.

¹¹⁷ This shows the EU’s preference for replicating models that worked elsewhere. In this respect, the first annual report on the SAP states, “there are certain aspects of the intensive preparations common to the pre-accession process of the candidate countries which could usefully be replicated. For example, a particular emphasis needs to be put on institution-building, so that countries develop policies, laws and practices which will command the confidence of their EU counterparts. This will require expertise from member state administrations, as is being provided to the current candidate countries, a requirement which will grow over time. Experience in the pre-accession context in border control and management can also be usefully transferred to the participants in the Stabilisation and Association Process” See Report from the Commission, “The Stabilisation and Association Process for South-East Europe”, First Annual Report, COM (2002) 163 final, Brussels, 3 April 2002.

¹¹² Funds have also tended to decrease over time. The two largest projects on building inter-ethnic dialogue were launched in 2002 and 2003. See, for example, Serbia’s “Promotion of positive interethnic relations toward peace building, development and integration in multiethnic regions of West, Central East and South East Serbia”, with an allocation of almost one million euros in 2002-2003, and Kosovo’s “Promotion of Human Rights Education and Inter-ethnic Dialogue in Kosovo”, with an allocation of around 1.5 million in 2003-2004 (See EIDHR contracts signed 2003-2006, available at http://ec.europa.eu/europeaid/where/worldwide/eidhr/projects_en.htm).

¹¹³ Around 10 out of 80 projects.

¹¹⁴ See for example Council Decision of 14 June 2004 on the principles, priorities, and conditions contained in the European Partnership with the former Yugoslav Republic of Macedonia, 2004/518/EC, Brussels, 14 June 2004.

¹¹⁵ European Commission, CARDS Assistance Programme, Former Yugoslav Republic of Macedonia 2002-2006, Including Multi-Annual Indicative Programme, 2002-2004.

Even if a reasonable amount was devoted to this activity for the period 2005-2006 (around 17 million in Serbia and 11 million in Kosovo), it came far behind the two largest areas, namely administrative capacity building, with 87.5 million for Serbia and 29.5 million for Kosovo, and economic and social development, with 124 for Serbia and 65 for Kosovo (see tables in the annex).

It is reasonable to assume that the reduction of funds dedicated to refugee return is a sign of success in the completion process, as pointed out by recent SAP reports, but rather than CARDS and IPA assistance being redirected towards other areas and activities that promote democratic stabilisation and inter-ethnic coexistence, they have been readdressed to support formal institutional structures in an effort to help Balkan countries adjust to EU standards and laws. Activities in BiH, for example, are mostly devoted to the development of the private sector and state-level institutions, including the tax and justice administrations, border management, and the like. Similarly, in Macedonia, CARDS funds are mostly focused on the reform of the judiciary, border management, the fight against crime, gradual harmonisation with the EU's legal framework and suchlike. Furthermore, even if the completion process has been rather successful, the reintegration problems faced by returnees are still pervasive and diminishing funds are being devoted to this end.¹¹⁸

Notwithstanding the importance of supporting institution building in the context of the WB – given the record of dysfunctional and weak administration capacity – and the significant progress made in countries such as BiH,¹¹⁹ it remains uncertain to what extent these societies have succeeded in building trust across ethnic lines and placing the foundations of

functional states. "Every day we wait for trust to be rebuilt and reconciliation to take place, future generations are growing up with three different histories and educational systems, cultivating hatred and suspicion of their neighbours."¹²⁰ Social and ethnic mistrust also runs high in these societies. A recent UNDP survey in BiH, for example, revealed a "virtual breakdown" in social trust, with only 1 out of 14 respondents (around seven percent of population) expressing trust towards others.¹²¹ Furthermore, ethnic divisions have not only been disruptive at the social level but also, and more prominently, at the political level, significantly affecting the pace of the reform process and the effectiveness of EU's inducements in the region. In BiH, for example, ethnic mistrust at the political level has often brought the political process to a halt, delaying the work of the government to a great extent. A recent report published by a local NGO, the Center for Civilian Initiatives, reveals that the BiH government has only managed to comply with 25 percent of its annual plan; the Parliament only passed 21 out of 135 required laws.¹²² Similarly, in Macedonia, the Council recently regretted "the delays in reform because of internal political tensions, which diverted the focus of the country's political institutions away from the priorities of European integration".¹²³ In Kosovo, despite ample international oversight for almost a decade, minority protection remains elusive.¹²⁴ Furthermore, the Serb minority remains disengaged from Kosovo's key institutions, which points to the enormous inter-ethnic challenge the EU will be facing in the breakaway province after its final status is decided.

¹¹⁸ The 2007 Enlargement Strategy states, "limited progress has been made on refugee return. Many refugees and internally displaced persons are living under very difficult circumstances". See Communication from the Commission, COM (2007) 663, op.cit., p. 6.

¹¹⁹ Various state-level institutions have been created thanks to the International Community's push for state building in BiH, including the Ministry of Foreign Affairs, the Ministry of Civil Affairs and Communication, the Ministry of Foreign Trade and Economic Relations, the Ministry of Human Rights and Refugees, the Ministry of European Integration, the Ministry of Defense and the State Treasury.

¹²⁰ Speech by HR/EUSR Ambassador Miroslav Laycak to the Foreign Affairs Committee of the European Parliament, November 27, 2007. See: http://www.ohr.int/ohr-dept/pressopresssp/default.asp?content_id=40890 (accessed 17 January 2008).

¹²¹ See UNDP, "The Silent Majority Speaks: Snapshots of Today and Visions of the Future of BiH". July 2007.

¹²² See BIRN, "Bosnia: Top Institutions Slammed", 29 November 2007.

¹²³ General Affairs and External Relations Council, "Council Conclusions on Western Balkans", 2840TH External Relations Council Meeting, Council of the EU, Brussels, December 10, 2007.

¹²⁴ See for example: ICG, 2003, "Kosovo's Ethnic Dilemma: the Need for a Civic Contract," Europe Report N. 143, 28 May 2003.

In sum, five years on since the launch of the first SAP annual report, political and social distrust is rampant and reconciliation remains elusive. As the recently released 2007 enlargement strategy paper stated:

“More dialogue and a greater spirit of tolerance are needed throughout the Western Balkans, not least on ethnic-related issues. In Kosovo, relations between Albanians and Serbs remain strained. In addition, Kosovo Serbs have by large not participated in the institutions and administration. The functioning of Bosnia and Herzegovina’s state institutions continues to be compromised by ethnic divisions. ... In the former Yugoslav Republic of Macedonia, frequent tension and insufficient cooperation between political actors has affected the normal functioning of institutions and slowed down reforms.”¹²⁵

The EU should thus readjust the enlargement machinery by diverting further resources towards the promotion of inter-ethnic relations and devoting more energy to strategic thinking on how to address these issues while integration into the EU takes place. Should European institutions fail to focus further resources on this issue, they will miss the chance to use their carrots and sticks to prompt Balkan societies to move beyond fixed ethnic quotas as the basis for political organisation and social cooperation.

Conclusions

In order for the EU to induce the WB to move ahead with the reform agenda, there are three lessons that it should draw from the stabilisation and association experience thus far.

The first lesson is that the EU needs further to engage in the reform process and send clear messages that

help prevent leaders using the EU card for their own political ends. The lack of clear benchmarks, the EU’s divisions, and the uncertainty built around the SAP process as a result of EU’s growing hesitation regarding the next enlargement round, have tended to diminish the effectiveness of EU inducements and opened the way for politicians to challenge the European project in the face of more immediate electoral and nationalistic interests. The EU’s sticks and carrots do still possess strong potential for leverage, however, and recent developments have showed how Balkan countries respond effectively to EU pressure.

The preceding crisis in BiH provided a good example of how the EU can be an effective force for change when acting with resolve in the face of escalating instability. While the measures enacted by HR/EUSR Lajcak on 19 October 2007 to speed up the decision making process in BiH incited one of the most intense political crises between the international community and Bosnian Serbs, clear determination on the part of the EU and the use of the European card have put BiH back on track with Europe. On November 29, Republika Srpska Prime Minister Milorad Dodik, who had harshly criticised Mr Lajcak over the October measures, stressed that the prospect of EU membership was the reason for ending opposition to the measures enacted by Mr. Lajcak.¹²⁶ “At this moment in time the most important thing for Bosnia-Herzegovina [is] the signing and initialing of the Stabilisation and Association Agreement, which will direct Bosnia-Herzegovina permanently towards European integration.” Similarly, Macedonia’s President Branko Crvenkovski stated on 19 November 2007, “our goals this year were to obtain a date for starting EU accession talks ... Today, shortly before the end of this year, we have to acknowledge that the objectives we targeted have not been fulfilled ... We need to profoundly correct our policies and conduct.”¹²⁷

¹²⁶See “Bosnian Serb leader underscores importance of EU”, Rfe/RI Newline Vol. 11, No. 224, Part II, 5 December 2007.

¹²⁷“President dubs 2007 a failure for Macedonian diplomacy,” RFE/RL Newline Vol. 11, No. 236, Part II, 21 December 2007.

¹²⁵Communication from the Commission, COM (2007) 663, op.cit., p.7.

But many challenges still lie ahead and the EU will need to show similar resolve and determination to avoid further instability in the region and to keep the reform process on track. Events connected to Kosovo's status do not provide room for much optimism, however. European countries are divided over how to approach the Kosovo challenge should the UNSC fail to agree upon a resolution regarding its final status. Divisions not only relate to the issue of granting recognition of independence, but also to the status of the future EU mission in the breakaway province. To add fuel to the EU's dilemma in Kosovo, Serbia seems determined to use all diplomatic means available to oppose any step by the IC and the EU that entails recognition of Kosovo's independence - even if supervised - short of a UNSC resolution.¹²⁸ In the absence of a clear UNSC resolution, therefore, the EU will be facing enormous challenges. How the EU manages this situation will have direct repercussions on the future of the region. Even if authorities from the region have stressed that Kosovo's potential for violence will be contained, there is room for concern. A recent survey among Kosovo's minority Serbs indicated that around 70 percent believed violence could escalate if Albanians declared independence unilaterally.¹²⁹ In BiH, a public survey showed that 70 to 77 percent believed that Republika Srpska should secede and become an independent state if Kosovo gains independence from Serbia.¹³⁰

The second lesson, which is related to the previous one, is that the EU needs to eliminate any sense of fatigue in its dealings with the WB and move beyond the "wait and see" policy. As an official from the Commission stressed, "we cannot use the wait and see policy; this approach would lead to failure for us and for them too. What we should do is to find ways that increase the sense of responsibility of political elites. This, in practice, is tremendously difficult, but we cannot wait

and see."¹³¹ This is particularly important in the light of certain upcoming challenges that are not as widely talked about as Kosovo's future status, including the end of the Bonn powers in BiH. Enmeshment with the situation in Serbia and Kosovo - which will keep Brussels very busy in the coming months - will require the EU to engage in early strategic thinking so that its leadership in the post-Bonn powers era is not ill-conceived from the start. In this respect, Judy Batt has also recently called for caution with regard to the overly optimistic expectations that can result from the signing of SAAs: "The assumption that EU integration along the prescribed SAA path will effect a fundamental political reorientation is as illusory with respect to Serbia as it is for BiH."¹³² Recent developments such as the Greek initiative in November 2007 seem to suggest that the EU is taking stock of these warnings. Further commitment will be needed in the coming months, however, in the face of new challenges associated with Kosovo and the end of the High Representative's term in BiH.

The final lesson that the EU ought to learn is that it needs to walk away from the model set up in previous enlargement processes and move beyond restricted support to formal institutional structures. A closer look at the programmes and policies in place under SAP shows how limited the EU's know-how is in relation to the challenges associated with ethnic divisions and the gap between what is aimed for in print and what the real resources are on the ground. Even if European officials have recognised such complexity through official documents and public statements, and hinted at the need to adjust the process of enlargement to the particular conditions of the region, the EU has failed to match rhetoric with effective programming. The EU thus needs to be more creative in finding ways to build trust across ethnic communities and build a civic sense of democracy to counterbalance the strong divisions that have become somewhat embedded in the systems after the war.

¹²⁸ "Serbia Rules Out EU Mission In Kosovo," RFE/RL Newline Vol. 11, No. 222, Part II, 3 December 2007.

¹²⁹ "Almost Half Serbs Would Leave Province in Case of Independence," *Bosnia Daily*, No. 1650, Sarajevo, 7 December 2007.

¹³⁰ "On Dayton anniversary, Bosnian Serbs back secession," RFE/RL Newline Vol. 11, No. 217, Part II, 26 November 2007.

¹³¹ Personal interview, Commission official, Brussels, June 2006.

¹³² Batt 2007, op.cit.

In sum, with Kosovo's final status drawing near and the prospect of a new inter-pillar mission approaching, there is a need for the EC to learn the lessons of its previous experience in the region and to adjust the "Copenhagen accession model" to one that is more suitable to the region. How the EU responds to the upcoming challenges and how perceptive it is about the political and social nuances associated with the reform process in the region will have enormous impact on how fast the WB finds its way out of fragile stability and into EU institutions. While the 2007 SAP annual report encouraged European institutions to "put more emphasis on the fundamental issues of state-building,

good governance, administrative and judicial reform, rule of law, reconciliation, compliance with the International Criminal Tribunal for the Former Yugoslavia (ICTY), and civil society development,"¹³³ the EU needs to avoid falling short of grandiose statements that are not followed by appropriate actions on the ground. This is not to suggest that the EU should diminish assistance towards institution building and EU standards, but rather that it should take on board the Greek initiative to shore up EU assistance and direct it to those institutional and non-institutional challenges that are associated with the transition process in these countries.

Annex - Tables

Table 1. Accession candidate status: WB countries.

	SAA Negotiations Open	SAA Signed	SAA In force	Official candidate	Start of accession negotiations
Albania	2003 (Jan.)	2006 (June)	(Only trade related issues in force since Dec 2006)	No (SAA to be ratified by EU members)	N/A
BiH*	2005 (Nov.)	Initialed in 2007 (Dec.)	No	No	N/A
Croatia	2000 (Nov.)	2001 (Oct.)	2005 (Feb.)	Yes (June 2004)	October 2005
FYR Macedonia	2000 (March)	2001 (April)	2004 (Apr)	Yes (Nov. 2005)	No date given
Serbia and Montenegro**	2005 (Oct.)	Initialed in 2007 (Nov.)	No	No	N/A
Montenegro		2007 (Oct.)	No	No	N/A

Source: Author

* The Commission approved a feasibility report assessing the readiness of B&H to negotiate a SAA in November 2003.

** The Commission approved a feasibility report assessing the readiness of Serbia to negotiate a SAA with the EU (the first contractual relationship between the Union and Serbia) in April 2005.

¹³³ Communication from the Commission, COM (2007) 663, op.cit.

Table 2: CARDS Programme. National Allocations 2000-2006 (€ millions).

	2000	2001	2002	2003	2004	2005	2006	Total
Albania	33.4	37.5	44.9	46.5	63.5	44.2	45.5	315.5
Bosnia and Herzegovina	90.3	105.2	71.9	63.0	72.0	49.4	51.0	502.8
Croatia (transfer to pre-accession in '05)	16.8	60.0	59.0	62.0	81.0	-	-	278.8
FYROM	13.0	56.2	41.5	43.5	59.0	45.0	40.0	298.2
Serbia and Montenegro ^a	650.5	385.5	351.6	324.3	307.9	282.5	257.5	2559.8
Interim civilian administrations	10.0	24.5	33.0	32.0	35.0	36.0	35.0	205.5
Regional	20.2	20.0	43.5	31.5	23.0	47.9	43.5	229.6
Other ^b	141.5	118.0	11.0	17.0	22.5	19.7	16.1	345.8
Macro-financial assistance (grants) ^c	70.0	120.0	100.0	15.0	16.0	33.0	50.0	404.0
Total	1045.7	926.9	756.4	634.8	679.9	557.7	538.6	5130.2
Croatia, pre-accession 2005-6	105	140	245					
Total including Croatia 2005/6						662.7	678.6	5385

Source: Financial Statistics 2000-2006, Europe Online, available at http://ec.europa.eu/enlargement/financial_assistance/cards/statistics2000-2006_en.htm [accessed on October 15, 2007]

Note1: Figures include assistance from Phare and Obnova where relevant in 2000, and from CARDS 2001 and onwards.

Note2: 2005 budget implementation: Reuse of recoveries from 2004/5, ie: above budget allocation 2005: 6m for the former Yugoslav Republic of Macedonia, 7,5m for regional programme.

a) Includes the Republic of Serbia, the Republic of Montenegro and the province Kosovo, which is currently under UN administration. Amounts for Serbia in 2002-03 include assistance from the Regional Programme for Integrated Border Management destined for the whole of FRY/Serbia and Montenegro. In 2004, 8 million for that purpose is shown under the regional programme.

b) Until 2001 (incl.): Humanitarian aid, Specific Measures, Rapid Intervention Operations, EIDHR and CFSP. From 2001 (incl.): Administrative costs and the Western Balkans' contribution to the European Training Foundation.

c) for 2000-2002: disbursements and not commitments.

Table 3: CARDS Programme. BiH Allocations 2001-2006 (€ millions).

	2001	2002	2003	2004	2005**	2006 (indicative)
Democratic stabilization	37.5	25	20.6	7.5	3.1/5	0.1 - 3.2
Return of refugees	35	23.5	19.5	7.5	3.1/5	0.1 - 3.2
Media reform	2.5	1.5	1	-	-	
Administration capacity building	14	10.5	12	23.5*	17.4/28	8.3 - 14
Development of state-level institutions	3.5	1.5	2			
Customs and tax administration	10.5	9	10			
Justice and home affairs (justice administration, policing, border management and assistance to the Chamber of Human Rights)	12.7	16.5	18	23.5	14/25	10 - 14.2
Economic and social development (private sector, infrastructure and social cohesion)	31.2	13.4	2.4	14.1	14.4/37	19.6 - 27.2
Environment		6.5	10.1	1.4	-	-
General technical assistance	3	-	-	-	-	-
Demining	3.3	-	-	-	-	-
Opening of community programmes	-	-	-	-	0.5	3
Total	101.8 (105.2)	71.9 (82.8)	63 (72.8)	72 (82)	49.4	40.8 - 61.6

Source: Author's elaboration from Annual Action Programmes for Bosnia Herzegovina, CARDS.

* Administration capacity building includes two additional activities in 2004: SAP Support Facility (budgeting facility) and SAP Awareness Programme

** The areas of administration capacity building and justice and home affairs are grouped under the category of Good Governance and Institution Building from 2005 onwards.

Cards Assistance including the regional programme. No regional funds were allocated for Bosnia in 2005.

Table 4: CARDS Programme. Croatia Allocation 2002-2004 (€ millions)

Sector	2002	2003	2004	Total
Justice & home affairs	10.0	12.0	26.85	43.85
Administrative capacity building	12.0	11.8	15.1	38.9
Economic & social development	18.0	17.5	17.75	53.25
Environment, natural resources	3.0	3.7	3.8	10.5
Democratic stabilisation	16.0	17.0	17.5	50.5
- Return of refugees*	(14)	(16)	(13)	(33)
- Civil society*	(2)	(2)	(2)	(6)
Total allocation	59.0	62.0	81	197.0

Source: Europe online, available at http://ec.europa.eu/enlargement/financial_assistance/cards/statistics2000-2006_en.htm [accessed on October 15, 2007]; EC, Croatia Country Strategy, 2002-2006.

* This is indicative data as of 2002, from CARDS Strategy Paper Croatia, 2002.

Table 5: Croatia pre-accession allocations 2005-2006 (€)

Objective	2005			2006		
	PHARE Support	Co-financing*	Total	PHARE Support	Co-financing	Total
Democracy & Rule of law	2.312.000	32.000	2.344.000	7.085.000	365.000	7.450.000
HR, Minority Protection and Civil Society	1.300.000	167.000	1.467.000	4.900.000	1.671.429 [^]	6.571.429
Economic Criteria	5.165.000	361.158	5.526.158	3.071.250	1.023.750	4.095.000
Internal Market and Trade	13.175.000	1.800.000	14.975.000	9.747.500	1.332.500	11.080.000
Sectoral Policies	29.415.000	2.415.450	31.830.450	18.837.000	2.251.000	21.088.000
Cooperation in JHA	5.000.000	857.500	5.857.500	1.292.500	97.500	1.390.000
Supporting Programmes	10.133.000	5.199.250	15.332.250	14.128.750	0	14.128.750
Economic and Social Cohesion	5.000.000	1.660.000	6.600.000	2.000.000	700.000	2.700.000
TOTAL	71.500.000	12.492.358	83.992.358	61.062.000	7.141.179	68.503.179

Source: Author from the Financing Agreement between the Commission and Croatia in 2005: 15; Commission decision PH/2006/1338 OF 24/07/06 establishing a Phare national programme for the Republic of Croatia in 2006, Brussels: 13-14.

* These funds come from the national public Fund (contributions from national, regional, local, municipal authorities, FIs loans to public entities, funds from public enterprises).

[^] These include 300.000 from private funds.

Table 6: CARDS Programme: FYROM allocations 2002-2006 (€ millions)

Sector	2001	2002	2003	2004	2005-2006	Total
Justice & home affairs	11.5*	7.0	12.5	24	17	72
Administrative capacity building	/	14.0	9.0	8.5	24	55.5
Economic & social development	20.25**	11.5	11.0	15.0	20	77.75
Environment, natural resources	3.25	/	1.0	2	3	9.25
Democracy and rule of law	7 (educ)	3.0	3.0	3	2	18
- Inter-ethnic relations and civil society	?	(3)	(3)	(3)	(2)***	
Other	0.5	6.0	7.0	6.5	19	39
Total allocation	42.5	41.5	43.5	59	85	271.5

Source: author. Year 2001: EC 2002, country strategy paper cards 02-06, p.70. Rest of years: Financial Statistics, Europe online, available at http://ec.europa.eu/enlargement/financial_assistance/cards/statistics2000-2006_en.htm (accessed on 15 October 2007).

* Five million euros are part of the Regional Programme for Integrated Border Management

** This figure includes activities in the areas of agriculture, support to economic reforms and infrastructure development.

*** The programme under "Democracy and Rule of Law" for 2005-2006 is aimed at minority rights.

Table 7: CARDS Programme. Serbia and Montenegro allocation 2002-2004 (€ millions).

SERBIA	2002	2003	2004	Total
Institution building	34.7	58.5	64.0	157.2
Economic reconstruction	132.5	141.5	121.5	395.5
Civil society	9.5	24.0	21.0	54.5
Other	13.0	16.0	11.5	40.5
MONTENEGRO	2002	2003	2004	Total
Institution building	3.0	4.0	10.0	17.0
Economic reconstruction	9.5	7.5	4.5	21.5
Civil society	0.5	1.5	2.5	4.5
Other	2.0	2.0	2.0	6.0
KOSOVO	2002	2003	2004	Total
Institution building	24.2	12.0	15	51.2
Economic reconstruction	101.0	46.28	54.9	178.28
Social development and civil society	9.8	5.0	4	18.8
Other	19.9	13.0	1.5	42.9
Total allocation	359.6	331.28	312.4	987.88

Source: Financial statistics, Europe Online, available at http://ec.europa.eu/enlargement/financial_assistance/cards/statistics2000-2006_en.htm

Table 8: CARDS Programme. Serbia and Montenegro Allocations, including Kosovo under UNSCR 1244, 2005-2006 (million €)

	State Union	Serbia	Montenegro	Kosovo	Total
Justices & home affairs	1.8	24.8	3	11.6	41.2
Administrative capacity building	5.6	87.5	11	29.5	133.6
Economic & social development	3	124	16.3	64.8	208.1
Environment, natural resources	0	22.5	6	6	34.5
Democratic stabilisation	3.4	28.5	3.7	11.5	47.1
(Minority rights & refugee return)	(1.5-3)	(14.5-17.5)	(2-3)	(9-11)	
(Civil society)		(5.5-6.5)	(1.5)	(1.5-2.5)*	
(Media)		(3.5-4.5)			
Other	2.2	46.2	6.5	20.1	75
Total allocation	16	333.5	46.5	143.5	539.5

Source: Author from:

- Financial Statistics, Europe online, available at http://ec.europa.eu/enlargement/financial_assistance/cards/statistics2000-2006_en.htm (accessed on 15 October 2007).

- Data on Democratic Stabilisation per sector (including max-min indicative): European Commission, 2005, Multi-Annual Indicative Programme 2005-2006: Serbia and Montenegro, including Kosovo as defined by the UNSC Resolution 1244. Annex 2(a) of the 2002-2006 FRY Country Strategy Paper.

* Includes both civil society and media.

Table 9: IPA national allocations, Western Balkans, 2007-2011 (€ millions)*

	2007	2008	2009	2010	2011
Croatia	141,2	146	151,2	154,2	157,2
Macedonia	58,5	70,2	81,8	92,3	98,7
BiH	62,1	74,8	89,1	106	108,1
Serbia	189,7	190,9	194,8	198,7	202,7
Montenegro	31,4	32,6	33,3	34	34,7
Kosovo	68,3	124,7	66,1	67,3	68,7

Source: Communication from the Commission to the Council and the European Parliament. Instrument for Pre-Accession Assistance (IPA) Multi-annual Indicative Financial Framework for 2009-2011: 4-5.

* Allocations for candidate countries (Croatia and Macedonia) are devoted to (1) transition assistance and institution building, (2) cross-border cooperation, (3) regional development, (4) human resources development, (5) rural development. Allocations for potential candidates (BiH, Montenegro, Serbia and Kosovo) include only funds for transition assistance and institution building and cross-border management.

Table 10: CARDS Programme. Area Priorities per Country 2002-2004

	Democratic stabilisation	Admin capacity building	Socio-economic development	Environment & natural resources	Justice and home affairs
Bosnia	<ul style="list-style-type: none"> - Refugee return - Media reform 	<ul style="list-style-type: none"> - Dev. state institutions - Taxation & customs 	<ul style="list-style-type: none"> - Economic reform & dev. - Social cohesion & development 	<ul style="list-style-type: none"> - Environment capacity building - Water sector - Solid waste 	<ul style="list-style-type: none"> - The administration of justice - Policing - Asylum & migration - Border management
Croatia	<ul style="list-style-type: none"> - Refugee return - Strengthening capacity of civil society 	<ul style="list-style-type: none"> - Public administration reform - National, regional & local (inst) development. - Public finances 	<ul style="list-style-type: none"> - Trade - Investment climate - Social cohesion 	<ul style="list-style-type: none"> - Legislation alignment - Renewable energy - Environment impact assessment 	<ul style="list-style-type: none"> - Modernisation of Justice (judiciary and court reform) - Police & organised crime - Border management
FYROM	<ul style="list-style-type: none"> - Inter-ethnic relations and civil society 		<ul style="list-style-type: none"> - Private and financial sector - Trade - Development of local infrastructure - Social cohesion 	<ul style="list-style-type: none"> - Gradual harmonisation with EU's legal framework - Sustainable development - Creation of environment agency, etc 	<ul style="list-style-type: none"> - Reform of judiciary - Integrated border management. - Migration & asylum - Fight against crime
	Good governance & institution building	Economic reconstruction, regeneration & reform	Social development & civil society		
Serbia & Montenegro, including Kosovo	<ul style="list-style-type: none"> - Public admin reform - Justice & home affairs - Customs & taxation 	<ul style="list-style-type: none"> - Energy - Transport - Environment - Economic development 	<ul style="list-style-type: none"> - University education & human resource dev. - Civil society & independent media 		

Source: Author, from country strategy papers 2002-2006 – Multi-Annual Indicative Programmes for 2002-2004.

WORKING PAPERS

- 53 The Stabilisation and Association Process: are EU inducements failing in the Western Balkans?, *Sofia Sebastian*, February 2007
- 52 Haiti: Voices of the Actors. A Research Project on the UN Mission, *Amélie Gauthier et Pierre Bonin*, January 2007
- 51 The Democratisation of a Dependent State: The Case of Afghanistan, *Astri Suhrke*, December 2007
- 49 Peru: the Kingdom of the ONG?, Donor Harmonisation: Between Effectiveness and Democratisation. Case Study 3, *Enrique Alasino*, February 2007
- 48 The Nicaragua Challenge. Donor Harmonisation: Between Effectiveness and Democratisation. Case Study 2, *Claudia Pineda y Nils-Sjard Schulz*, January 2008
- 47 EU Democracy Promotion in Nigeria: Between *Realpolitik* and Idealism, *Anna Kakhee*, December 2007
- 46 Leaving Dayton Behind: Constitutional Reform in Bosnia and Herzegovina, *Sofía Sebastián*, November 2007
- 45 The "Third Populist Wave" of Latin America, *Susanne Gratius*, October 2007
- 44 OSCE Democracy Promotion: Griding to a Halt?, *Jos Boonstra*, October 2007
- 43 Fusing Security and Development: Just another Euro-platitude?, *Richard Youngs*, September 2007
- 42 Vietnam's Laboratory on Aid. Donor Harmonisation: Between Effectiveness and Democratisation. Case Study 1, *María Delfina Alcaide and Silvia Sanz-Ramos*, September 2007
- 41 Theoretical Framework and Methodology for Country Case Studies. Donor Harmonisation: Between Effectiveness and Democratisation, *Stefan Meyer y Nils-Sjard Schulz*, September 2007
- 40 Spanish Development Cooperation: Right on Track or Missing the Mark?, *Stefan Meyer*, July 2007
- 39 The European Union and the Gulf Cooperation Council, *Ana Echagüe*, May 2007
- 38 NATO's Role in Democratic Reform, *Jos Boonstra*, May 2007
- 37 The Latin American State: 'Failed' or Evolving?, *Laura Tedesco*, May 2007
- 36 Unfinished Business? Eastern Enlargement and Democratic Conditionality, *Geoffrey Pridham*, April 2007
- 35 Brazil in the Americas: A Regional Peace Broker?, *Sussane Gratius*, April 2007
- 34 Buffer Rus: New Challenges for Eu Policy towards Belarus, *Balazs Jarabik and Alastair Rabagliati*, March 2007
- 33 Europe and Russia, Beyond Energy, *Kristina Kausch*, March 2007
- 32 New Governments, New Directions in European Foreign Policies?, *Richard Youngs* (editor), January 2007
- 31 La Refundación del Estado en Bolivia, *Isabel Moreno y Mariano Aguirre*, Enero de 2007
- 30 Crisis of State and Civil Domains in Africa, *Mariano Aguirre and David Sogge*, December 2006
- 29 Democracy Promotion and the European Left: Ambivalence Confused?, *David Mathieson and Richard Youngs*, December 2006
- 28 Promoting Democracy Backwards, *Peter Burnell*, November 2006
- 27 Respuestas globales a amenazas globales. Seguridad sostenible para el siglo XXI, *Chris Abbott, Paul Rogers y John Sloboda*, Septiembre de 2006
- 26 When More is Less: Aiding Statebuilding in Afghanistan, *Astri Suhrke*, September 2006
- 25 The Crisis in Timor-Leste: Restoring National Unity through State Institutions, Culture, and Civil Society, *Rebecca Engel*, August 2006
- 24 Misión de la ONU en la República Democrática del Congo: Imponer y consolidad la paz más allá de la elecciones, *Luis Peral*, Julio de 2006

WORKING PAPERS

- 23 Angola: Global “Good Governance” Also Needed, *David Sogge*, June 2006
- 22 Recovering from Armed Conflict: Lessons Learned and Next Steps for Improved International Assistance, *Megan Burke*, April 2006
- 21 Democracy and Security in the Middle East, *Richard Youngs*, March 2006
- 20 Defining ‘Terrorism’ to Protect Human Rights, *Ben Saul*, February 2006
- 19 Failing States or Failed States? The Role of Development Models: Collected Works; *Martin Doornbos*, *Susan Woodward*, *Silvia Roque*, February 2006
- 18 Facing the Victims in the Global Fight against Terrorism, *Jessica Almqvist*, January 2006
- 17 Transition and Legitimacy in African States: The cases of Somalia and Uganda, *Martin Doornbos*, December 2005
- 16 The United Nations’ Responsibility towards Victims of Terrorist Acts, *Irene Aguirrezabal Quijera*, November 2005
- 15 Threats to Human Security: The Need for Action?, *Luis Peral*, October 2005
- 14 Helping Castro? EU and US policies towards Cuba, *Susanne Gratius*, October 2005
- 13 Alliance of Civilisations: International Security and Cosmopolitan Democracy, *Kristina Kausch* and *Isaías Barreñada*, October 2005
- 12 Building a New Role for the United Nations: the Responsibility to Protect, *Carlos Espósito* and *Jessica Almqvist*, September 2005
- 11 Political Reform and the Prospects for Democratic Transition in the Gulf, *Jill Crystal*, July 2005
- 10 Aggression, Crime of Aggression, Crime without Punishment, *Antonio Remiro Brotóns*, June 2005
- 9 España y el Magreb durante el segundo mandato del Partido Popular. Un período excepcional, *Laura Feliú*, Mayo de 2005
- 8 EU instruments for conflict prevention, *Javier Niño Pérez*, April 2005
- 7 Contribución española a la construcción de la paz. Razones y propuestas para la elaboración de un Plan de Acción, *Luis Peral*, Abril de 2005
- 6 Spain and Morocco: Towards a Reform Agenda?, *Richard Gillespie*, April 2005
- 5 Which Justice for Perpetrators of Acts of Terrorism? The Need for Guidelines, *Jessica Almqvist*, March 2005
- 4 Reflexiones sobre la reforma del Servicio Exterior de España, *Carlos Espósito*, Febrero de 2005
- 3 Political Islam: Ready for Engagement?, *Emad El-Din Shahin*, February 2005
- 2 Ten years of the Barcelona Process: A Model for Supporting Arab Reform?, *Richard Youngs*, January 2005
- 1 A proposal for governance of the Gaza strip in the context of the announced Israeli withdrawal, *CITPax*, an initiative of *Shlomo Ben-Ami*, November 2004

FRIDE

Almost eight years since the launch of the Stabilisation and Association Process (SAP), the framework under which the Western Balkan countries come closer to European institutions, the prospect of European membership seems further away than ever before. Even if the future of the WB remains within EU borders, accession to the exclusive club is still far off, probably at least a decade away.

Many analysts are now asking whether the EU's approach to the region within the SAP has been ill-designed? Even if domestic politics are much to blame for the current state of affairs, a closer look at EU SAP policies in the WB is in order.

This paper argues that despite the fact that the prospect of EU membership and the conditionality-based reform process attached to it have made the greatest contribution to stability and democratic development in the region, problems of policy inconsistency, unclear benchmarking, disillusionment over the still remote European perspective and the gap between rhetoric and efforts on the ground have undermined EU policies in the Balkans and diminished the effectiveness of EU's inducements.

The EU needs to readjust its framework and take into full consideration the different problems that afflict Balkan countries and provide real incentives to persuade them to accept the terms of stability while integrating into the EU. How European institutions respond to these challenges in the light of developments in Kosovo will prove critical for the future stability of the region.

www.fride.org