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

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

continues to constitute an enduring security challenge.

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

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

Florian Bieber

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

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

The article is based on a talk given at the *Security in Southeastern Europe* conference (Belgrade, 23-24 April 2004) organized

by the Management Center.

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Bosnia's EU integration process

By Christophe Solioz

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

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

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

Bosnia and the SAP

Once Bosnia was included in the SAP process, thus

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

benefiting from preferential EU trade concessions and CARDS assistance, the country had to follow an agenda focusing on a limited number of SAP-relevant reforms. This became the Road Map, a document drawn up in March 2000 and endorsed by the Peace Implementation Council on 24 May 2000.¹³ The Road Map fixed 18 initial basic pre-conditions falling into three groups covering political, economic and democracy- and human-rights-related issues. These requirements were to be satisfied before work on a Feasibility Study for the opening of negotiations on an SAA could begin. The main focus was on deepening economic reform, accelerating the return of refugees and

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

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

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

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

Bosnia's next step was the Feasibility Study launched in the spring of 2003.¹⁶ This report, finalised in November 2003, is based on responses given by the Bosnian Directorate for European Integration to a questionnaire submitted by the Commission in March. The final statement was a "Yes, but." Indeed, before Bosnia can conclude an SAA, the country must still make significant progress in sixteen fields. This represents a substantial and demanding reform agenda, even if some of the items are, of course, not new. The Commission regularly insisted that incorporation of the *acquis* into legislation is not itself

sufficient, and that it expects full implementation. In fact, many of the feasibility study follow-up requirements explicitly focus on implementation.

The 30 March 2004 issued Commission's report on the progress of the reform process gives following global assessment: "On those of the 16 points relating to the political situation, progress has been moderate. Government at State level remains underdeveloped, while tensions between State and Entities still affect government business and reform."¹⁷ Even if the Council of Ministers adopted a structured approach to reform, "hope for a new and clear reform dynamic has not yet been clearly confirmed, indeed political obstruction of reform is still frequent."¹⁸ On those related to the economic situation, some progress were made on budgetary issues, as well as in the field of macro-economic stability; in addition, the recommendations of the 2003 SAP report have been broadly satisfied. But the country is not yet on the path of self-sustaining growth, related to specific issues: nothing has yet been fully completed in the field of reliable statistics and other short-term steps mentioned in the Feasibility Study. The same applies to the technical SAP requirements, where the record of progress is

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

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

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

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

¹⁸ Ibidem.

mixed, but none of the Feasibility Study recommendations has yet been fully completed. What is missing is a commitment by all relevant actors to consistently implement the requested reforms. To sum up, ownership of reforms remains limited, and as in most advances, international initiative or pressure was the key.

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

¹⁹ See Commission of the European Communities, 'Council Decision on the Principles, Priorities and Conditions Contained in the European Partnership with Bosnia and Herzegovina.' Brussels, 2004. Draft available at http://europa.eu.int/comm/external_relations/see/sap/rep3/part_bih.pdf.

²⁰ See Commission of the European Communities, 'The

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

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

Stabilisation and Association Process for South East Europe, Third Annual Report.' Brussels: COM (2004) 202/2 final, 30 March 2004, p. 6.

to 18 November 2004, and in July 2003 formulated a specific Action Plan for Priority Reforms for the period August 2003-May 2004, which was adopted in December 2003.²¹ Accordingly, on 3 December 2003, the Bosnian Council of Ministers passed a decision on procedures for the process of co-ordinating Bosnian legislation with the *acquis communautaire*, and later on the Bosnian Directorate for European Integration worked out an appropriate programme of activities for the realisation of the requested reforms, including an ambitious plan of legislation requesting the creation of 25 new institutions.²² By February 2004, all Bosnian political parties signed a declaration supporting the reforms the SAA process requests. This declaration is supposed to express the concern and commitment of Bosnian politics. Finally, a National Plan for Adoption of *Acquis Communautaire* is about to be finalised. This clearly demonstrates Bosnia's

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

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

determination to take on the obligations related to EU membership.

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

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

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

²⁵ Concerning the distinction between "pro forma" and "hard core" conditionality, see Tony Killick, *Aid and the*

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

"Within Bosnia, the ongoing process of fundamental

Political Economy of Policy Changes, (London: Routledge 1998), p. 11.

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

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

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

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

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

The Europeanization of the International Presence

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

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

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

the end of 2005, at the latest, since only a fully sovereign state can presume to be a candidate for EU membership.

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

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

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

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

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

oped, additional pre-accession assistance provided, the visa regime loosened up, and membership in a limited number of Community programs and committees offered.³¹

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

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

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

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

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