

Accession of the Western Balkans to the EU: Evaluating a process

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L'adhésion des Balkans Occidentaux à l'UE: Évaluation d'un processus

Workshop held on
May 11, 2010
Sciences Po Paris

Collège Universitaire, Campus européen de Dijon
Europe Centrale et Orientale
Dijon, France

L'association Bourgogne Balkans Express avec le soutien du Campus européen de Dijon, Europe centrale et orientale, de Sciences Po Paris a l'honneur de vous présenter les actes du colloque organisé le 11 mai 2010 à Dijon :

The Bourgogne Balkans Express Association, with the support of the European Campus of Dijon, Central and Eastern Europe, of Sciences Po Paris, has the honour to present the written contributions of the workshop held on 11 May 2010, in Dijon :

**« Accession of the Western Balkans to the EU:
Evaluating a process »**

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**« L'adhésion des Balkans Occidentaux à l'UE:
Évaluation d'un processus »**

L'association Bourgogne Balkans Express (loi 1901) a été créée en 2006 à l'initiative de deux étudiants du cycle Europe Centrale et Orientale de Sciences Po Paris à Dijon, de nationalité albanaise et serbe. L'objectif principal de ce colloque sur les Balkans occidentaux était de réunir praticiens et chercheurs sur des thématiques et orientations liées à l'intégration européenne des Balkans occidentaux qui prennent toute leur importance dans le contexte d'aujourd'hui.

Le colloque s'est tenu le 11 mai 2010 dans l'enceinte du cycle Europe Centrale et Orientale de Sciences Po Paris à Dijon. Il s'agissait d'un véritable échange d'idées, d'informations et de visions politiques sur l'avenir de la région des Balkans, en vue de discuter des solutions concrètes, susceptibles de répondre aux enjeux et défis de cette zone.

The Bourgogne Balkans Express Association (law 1901) was created at the initiative of two students of Albanian and Serbian nationality of the Central and Eastern European campus of Sciences Po Paris in Dijon. The main objective of this workshop on the Western Balkans was to reunite practitioners and researchers to debate on questions pertaining to the European integration of the region, which are gaining particular importance today.

The workshop was held on 11 May 2010 at the Central and Eastern European campus of Sciences Po Paris in Dijon. It consisted in a real exchange of ideas, information and political views on the future of Balkans region, in order to discuss concrete solutions that might respond to the challenges that this region faces nowadays.

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EXPRESS



SciencesPo.

Collège universitaire
Campus européen de Dijon

Imprimé à Paris, France, juin 2010
Droits d'auteur: Association Bourgogne Balkans Express (loi 1901)
Collège Universitaire de Sciences Po Paris, Campus de Dijon, Europe centrale et orientale
14, Av. Victor Hugo, 21000 Dijon

Reproduction permise sous condition de citer les auteurs des textes ci-joints ainsi que la publication.

L'association Bourgogne Balkans Express exprime ses remerciements les plus sincères à l'ensemble des chercheurs et praticiens ayant participé au colloque:

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DANJEAN Arnaud; DERETA Miljenko; FAJON Tanja ; IGRIC Gordana;
JUDAH Tim; KUKAN Eduard; LYS André; MIREL Pierre;
PACK Doris; PAVRET DE LA ROCHEFORDIÈRE Christophe;
PERROT Odile; PRLJEVIC Mirjana; RADULOVIĆ Momčilo;
RUPNIK Jacques; SAMARDZIJA Visnja; SMOLAR Piotr;
SVETCHINE Michel; TILEV Dragan.*

et aux organismes ayant coparrainé l'événement:

Conseil Régional de Bourgogne,
Ville de Dijon,
Commission Européenne,
Sciences Po,
Le Monde,
BalkanInsight.com,
Courrier des Balkans.





Bourgogne Balkans Association workshop series /
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- Edition 1, Dijon 2008:
 - *The Question of Kosovo: from the international protectorate to a redefinition of international engagement*
 - *La Question du Kosovo: de la sortie du protectorat à la redéfinition de l'engagement international*
http://ec.europa.eu/enlargement/pdf/serbia/kosovo/redefining_international_engagement_in_kosovo_en.pdf

- Edition 2, Dijon 2009:
 - *Stabilisation and Integration Perspectives for the Western Balkans*
 - *Les perspectives de stabilisation et d'intégration pour les Balkans occidentaux*
http://ec.europa.eu/enlargement/pdf/publication/stabilisation_and_integration_perspectives_for_the_western_balkans_en.pdf

- Edition 3, Dijon 2010:
 - *Accession of the Western Balkans to the EU: evaluating a process*
 - *L'adhésion des Balkans occidentaux à l'UE: évaluation d'un processus*



Préfaces des actes du colloque

<i>François REBSAMEN</i> (Sénateur - Maire de Dijon)	p.8
<i>Arnaud DANJEAN</i> (Député Européen - Conseiller Régional de Bourgogne).....	p.9

Tables Rondes / Round Tables :

- Multiple bilateral issues: obstacles to the Thessaloniki Agenda? <i>Odile Perrot</i>	p.14
- Lack of Political Will Thwarts Anticorruption Efforts <i>Gordana Igric and BIRN team</i>	p.18
- The European Union and civil society: what interactions? <i>Miljenko Dereta</i>	p.29
- EU enlargement in the Balkans: a comparison with Central Europe <i>Jacques Rupnik</i>	p.32
- Is the EU strategy the most adapted strategy to the Balkan region? <i>Eduard Kukan</i>	p.36
- Western Balkans and the EU: where to go from here? <i>Momčilo Radulović</i>	p.39
- The clock is ticking: for the western Balkan and the European Union <i>Tanja Fajon</i>	p.46
- Foreign investments in the Western Balkans <i>Visnja Samardzija</i>	p.49
- Economic policy and political influence? <i>Shpend Ahmeti</i>	p.53
- Can the CEFTA be effective without substantial national reform? <i>Mirjana Prljevic</i>	p.58
- What type of fiscal policy is needed to foster the economic development of the Balkans? <i>Fikret Causevic</i>	p.61
- Quelle place pour l'euro dans le developpement économique des Balkans Occidentaux ? <i>Michel Svetchine</i>	p.66

Contributions externes / External Contributions :

- Honeymoons ou le mirage de l'Europe <i>Simon Rico</i>	p.70
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<u>Bourgogne Balkans Express</u>	p.74
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Préface des actes du Colloque

François Rebsamen

Sénateur, Maire de la Ville de Dijon

Président délégué du groupe France - Balkans occidentaux du Sénat

Discours tenu lors de la conférence introductive auprès de la Mairie de Dijon le 10 mai 2010

Vous me permettrez tout d'abord de souhaiter la bienvenue dans notre ville à leurs excellences, Messieurs les Ambassadeurs SEM.Ylljet ALICKAJ, SEM.Dusan BATAKOVIC, SEM.Mirko GALIC*.

Je voudrais remercier les organisateurs du colloque, dont le sujet est « *l'élargissement des Balkans occidentaux à l'UE: perceptions depuis la France* ». L'association a été créée par les élèves du Campus dijonnais de Sciences Po Paris et s'engage, depuis sa création en 2006, dans la promotion des liens entre l'UE et les Balkans occidentaux. Son objectif est de sensibiliser le public aux enjeux liés aux pays de la région et à la perspective de leur intégration à l'UE. A travers l'organisation de nombreux voyages et colloques, l'association s'est progressivement dotée d'un vaste réseau d'acteurs institutionnels et d'éminents experts européens et balkaniques.

En premier lieu, je veux rappeler, ce soir, toute l'importance que nous attachons à la région des Balkans, dans le cadre de l'Europe réunifiée que nous voulons bâtir. Pendant plus de quarante ans, la construction européenne, de la Communauté du charbon et de l'acier jusqu'à la monnaie unique, s'est bâtie uniquement dans la moitié occidentale de notre Continent. Pour autant, cela n'était que la conséquence de la division de l'Europe issue de la guerre froide, non d'une quelconque conception "élitiste" du futur du continent. Nos frontières étaient, en quelque sorte, cimentées de l'extérieur.

Depuis la chute du Mur de Berlin, la perspective de la réunification du Continent est à notre portée. C'est l'enjeu majeur - dont on parle trop peu - de l'Europe d'aujourd'hui. Or, il est capital, pour moi, que cet indispensable mouvement d'élargissement vers l'Europe centrale et

orientale ne laisse pas de côté les Balkans. Il s'agit là d'une question de logique et de cohérence, car les Balkans ont toujours joué un rôle crucial dans l'histoire et la culture européennes, car ils sont une pièce indispensable du puzzle européen. Mais il s'agit aussi d'une question de solidarité politique. Nous devons offrir à ces pays une perspective de paix et de démocratie. Nous devons leur dire clairement, dans notre intérêt comme dans le leur, que la place de l'ensemble des pays de l'ex-Yougoslavie, comme ceux de l'ensemble des Balkans, une fois en paix, une fois démocratisés, est au sein de l'Union européenne élargie de demain. Il en va de la stabilité et de la paix de l'ensemble du Continent.

C'est pourquoi j'ai toujours quelques interrogations, à titre personnel, à l'égard de la belle expression, à bien des égards parlante et juste, selon laquelle il conviendrait aujourd'hui d'euro-péaniser les Balkans. Je la comprends, bien sûr.

Pour autant, je pense qu'il n'y a pas à euro-péaniser les Balkans, car les Balkans sont partie intégrante de l'Europe. Ils l'ont toujours été. Mais enfin, ceci n'est peut-être qu'un problème de vocabulaire: si cela signifie faire régner dans cette région trop souvent déchirée, nos idéaux européens de paix, de stabilité et de démocratie, j'y souscris.

Une remarque. Je souhaite dire avec force, car cela est lié, que les questions religieuses ne doivent être en aucun cas un obstacle sur la voie de l'intégration des Balkans en Europe. L'Union européenne n'a jamais eu vocation à n'être qu'un club de nations majoritairement chrétiennes. L'Europe possède une dimension multiconfessionnelle depuis des siècles. Quel serait le sens de

notre ambition politique, si elle revenait à nier l'histoire?

La guerre dans les Balkans à la fin du XXe siècle a représenté plus qu'une tragédie, une honte. La purification ethnique au coeur de l'Europe, à 1h20, 1h30 de Paris fut une honte et tous ceux qui l'ont faite doivent être condamnés, je le pense profondément. Je salue aujourd'hui tous les démocrates des pays des Balkans qui veulent tourner la page, qui veulent regarder devant, vers l'Union Européenne, vers la démocratie, vers les Droits de l'Homme, vers le respect de la personne humaine. Le problème de cette région des Balkans, quelle que soit l'approche que l'on prend pour l'aborder, c'est un problème de réconciliation. Nous avons connu cela dans beaucoup d'endroits dans le monde. Nous l'avons nous-mêmes, Français, connu avec l'Allemagne. Nous avons surmonté cela.

Depuis le lancement de la Communauté européenne du charbon et de l'acier (CECA) en 1952, l'élargissement est constitutif du projet européen. En à peine 50 ans, de « l'Europe des Six » à « l'Europe des Vingt-sept », une autre Europe a vu le jour et l'Union a changé d'échelle. Tant sur le plan géopolitique que culturel, il s'agit d'une ouverture sans précédent qui invite à penser l'Europe autrement.

Je ne sais si, comme le souligne « *le courrier des Balkans* », l'UE laisse les Balkans occidentaux sur le bas-côté et si la volonté politique semble s'être volatilisée. Il est vrai que les priorités peuvent actuellement apparaître ailleurs : la simultanéité de la mise en oeuvre du traité de Lisbonne ainsi que l'entrée en fonction à la fois d'une nouvelle Commission et d'un nouveau Parlement prennent bien plus de temps et d'énergie que prévu. Dans un tel contexte, les problèmes non résolus dans les Balkans, notamment en Bosnie-Herzégovine et au Kosovo, semblent passer au second plan. Autre priorité de l'Union : la crise économique – qui frappe de plein fouet des pays membres fondateurs comme l'Italie, la France et l'Allemagne – s'impose dans l'immédiat comme prioritaire, ceci au détriment d'un nouvel élargissement.

Malgré la conditionnalité de l'UE exigeant une coopération régionale, force est de constater que la stratégie d'intégration au cas par cas (et en fonction des mérites respectifs) n'est pas toujours comprise. Non seulement chaque pays candidat a sa propre stratégie, mais les problèmes bilatéraux entre pays membres et pays candidats (Slovénie- Croatie, Grèce-Macédoine) bloquent de facto le processus d'intégration.

Des questions sont encore en souffrance dans l'espace post-yougoslave : le statut du Kosovo et l'intégrité territoriale, la fin du protectorat et la nécessaire réforme constitutionnelle en Bosnie-Herzégovine. Le Kosovo devra appliquer de nombreuses réformes avant que la Commission puisse ouvrir des négociations d'adhésion. Le Kosovo sera aussi confronté au fait que tous les pays membres de l'Union ne le reconnaissent pas. On ne peut pas demander aux pays des Balkans de faire des réformes difficiles, dures, sans donner une perspective européenne.

Pour moi, l'Union européenne, c'est un sens politique, ce n'est pas un marché. Donc, chaque fois qu'un pays peut être amené à entrer dans l'Union européenne, il est important de savoir ce que nous faisons, toujours dans le sens de l'action. Quel sens donnons-nous à l'Union européenne ? Est-ce un simple marché, auquel cas, évidemment, on peut toujours l'élargir, ou bien des valeurs communes, bien sûr, mais également une union politique, avec des règles concernant un certain nombre de sujets qui peuvent toucher, en effet, à la Défense, à la politique étrangère, à la force, tout simplement, de l'Union européenne.

Je voudrais que les choses se passent assez vite pour voir une Europe réellement organisée, unie et moderne le plus vite possible, et comprenant tous les pays, notamment ceux des Balkans pour définitivement cicatrifier les blessures que l'Histoire a infligées à cette région et qui sont profondes et douloureuses. Il faut le plus vite possible que ces pays soient en mesure d'entrer dans un système par définition stable. Voilà pourquoi, me semble t-il, l'Union européenne doit soutenir, profondément et réellement, le choix européen des Balkans.

Préface des actes du Colloque

Arnaud Danjean

Député Européen et Conseiller Régional de Bourgogne,
Président de la Sous-commission Sécurité et Défense et Membre de la Délégation UE / Europe
du Sud-Est du Parlement Européen

Discours tenu lors de la conférence d'ouverture auprès du Conseil Régional de Bourgogne le 11 mai 2010

Mesdames, Messieurs,

Je souhaite avant tout souligner que nous pouvons nous féliciter de cette troisième édition du colloque de l'Association Bourgogne Balkans Express, consacrée à l'évaluation du processus d'adhésion des Balkans occidentaux à l'Union européenne.

Cette conférence est organisée par des étudiants de diverses nationalités européennes, dans une grande école française. Ils démontrent que cette région du continent – les Balkans occidentaux – qui, en dépit de l'engagement diplomatique, financier et militaire depuis près de vingt ans, est longtemps restée l'objet de perceptions lacunaires, voire négatives, suscite des vocations en matière universitaire. En outre, cet événement, qui se pérennise depuis trois ans, s'inscrit dans le paysage des conférences européennes sur les Balkans occidentaux qui font référence. Enfin, nous abordons aujourd'hui un thème traditionnellement difficile qui a trait à l'élargissement, sujet pour le moins impopulaire en France et faisant souvent l'objet de caricature.

A cet égard, l'élargissement souffre d'un profond paradoxe : C'est l'une des politiques les plus réussies de l'Union, qui a permis la réunification politique du continent tout en répondant à la vocation première de l'Europe en matière de paix, de stabilité et de prospérité. Cependant, nombreux sont encore ceux qui regardent l'élargissement avec suspicion et préjugés négatifs.

Il y a maintenant dix ans, depuis le sommet de Zagreb de novembre 2000 à l'initiative de la

France, les pays des Balkans occidentaux se sont vus promettre la « perspective européenne ». Cette orientation stratégique n'a pas varié. Elle souffre évidemment de deux écueils :

Le premier, d'ordre institutionnel, réside dans le fait qu'après le rejet français et néerlandais du projet de traité constitutionnel en 2005, l'UE n'était plus en état de poursuivre rapidement une politique ambitieuse d'élargissement. L'élargissement était alors perçu – à tort ou à raison – comme une des raisons majeures du divorce entre les dirigeants européens et la perception des peuples. De surcroît, l'UE s'est retrouvée pendant près de cinq ans en chantier institutionnel. Le second écueil tient au contexte de crise économique et monétaire actuelle, qui met l'UE face à d'autres priorités.

Pour autant, la perspective européenne des Balkans occidentaux reste affirmée, et il n'est dans l'intérêt de personne de jouer à se faire peur. Il va sans dire qu'aucun des pays candidats (à part la Croatie) et potentiellement candidats, n'est encore prêt à rejoindre l'UE à très court terme. L'effort ne doit donc pas être relâché. Intégrer l'UE ne se fait pas par des raccourcis : il existe des exigences, il faut les respecter. Il en va de l'intérêt de tous. Remplir les critères de Copenhague est le seul moyen de faire comprendre et accepter l'élargissement aux citoyens européens, mais est aussi dans l'intérêt des pays qui aspirent à rejoindre l'UE.

Il existe ainsi des difficultés de contexte mais certainement pas d'ambiguïtés stratégiques sur la perspective européenne des Balkans occidentaux.

Rendez-vous



Bourgogne
Balkans

Two yellow map outlines are shown. One is on the left, representing the Bourgogne region, and the other is on the right, representing the Balkans region. The text "Bourgogne" and "Balkans" is written in yellow, slanted, bold letters across the maps.

Tables Rondes / Round Tables



Table Ronde / Round Table 1 :
**Specific obstacles to the
European integration of the
Western Balkans**

Modérateur / Moderator:

Tim JUDAH, Journalist « The Economist »

Participants :

BEJA Fatos, *President of the Foreign Affairs Commission of the Albanian Parliament;*
DANJEAN Arnaud, *MEP, Chairman Subcommittee on Security and Defence;*
DERETA Miljenko, *Executive Director, Balkan Civil Society Development Network*
IGRIC Gordana, *Director, Balkan Investigative Regional Network (BIRN)*
MIREL Pierre, *Director, Relations with Albania, Bosnia and Herzegovina,
Montenegro, Serbia and Kosovo issues, DG Enlargement, European Commission;*
PACK Doris, *MEP, Member of the Delegation for relations with Albania,
Bosnia and Herzegovina, Serbia, Montenegro and Kosovo;*
PERROT Odile, *Dr. In Political Sciences – Specialist of the Balkans.*

Table Ronde / Round Table 2 :
**Strategies and methods
of enlargement**

Modérateur / Moderator :

Piotr SMOLAR, Journalist, « Le Monde »

Participants :

FAJON Tanja, *MEP, Rapporteur Visa Liberalisation*
KUKAN Eduard, *MEP, President of the Delegation for relations with Albania, Bosnia and
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LYS André, *Head of Unit, Financial instruments and contracts, DG Enlargement,
European Commission*
RADULOVIĆ Momčilo, *Secretary General - European Movement, Montenegro*
RUPNIK Jacques, *Senior Research Fellow – CERI, Institute of Political Sciences Paris*
TILEV Dragan, *Minister Counsellor to the FYROM Mission in the EU*

Table Ronde / Round Table 3 :
**Economic actors and the
process of accession**

Modérateur / Moderator :

Dr. CAUSEVIC Fikret

Member of the Governing Board of the Central Bank of Bosnia and Herzegovina

Participants :

AHMETI Shpend, *Director - Institute for Advanced Studies (GAP), Pristina*
BUREAU Maxime, *Director, Public Policy & Investment, Europe, General Electric*
PAVRET DE LA ROCHEFORDIÈRE Christophe, *Deputy Head of Unit, Economies of Can-
didate and Potential Candidate Countries, DG ECFIN, European Commission*
PRLJEVIC Mirjana, *Secretary General of the International association CIVIS*
SAMARDZIJA Visnja, *Head of the Department for European Integration, Institute for
International Relations, Zagreb*
SVETCHINE Michel, *Central Bank of France, Former Managing Director of Central
Banking Authority of Kosovo*

Multiple bilateral issues: Obstacles to the Thessaloniki Agenda?

Odile Perrot

Dr. In Political Sciences – Specialist of the Balkans.(Paris)

Endorsed by the European Council in June 2003, the Thessaloniki Agenda acknowledged regional co-operation as “an essential element of the Stabilisation and Association Process”. The participants of the summit reiterated that “rapprochement with the European Union will go hand in hand with the development of regional cooperation” and, therefore, agreed to meet periodically within the framework of a EU-Western Balkan forum. Three years earlier in Zagreb, Balkan countries had already undertaken to establish regional cooperation conventions providing for a political dialogue, a regional free trade area and close cooperation in the field of justice and home affairs.

In the aftermath of these initiatives and prompted by the recent applications for EU membership filed by three Balkan countries (Montenegro applied in December 2008, Albania in April 2009 and Serbia in December 2009), officials have reiterated their support for the priority of good neighbourhood relations. During a recent visit to the Balkans, EU enlargement commissioner Stefan Füle has insisted that bilateral disputes, including border demarcation, should be settled before Balkan countries join the EU. The International Steering Group (ISG), which guides Kosovo's democratic development, has also re-confirmed that “[e]nhanced regional cooperation is in the best interest of the Western Balkans and its European perspective” (1).

However, despite these declarations and countries’ commitments, neighbourly relationships in the Balkans have been poisoned by numerous bilateral disputes, such as territorial issues and refugee matters, making regional cooperation a continuing challenge. The EU initiatives to give new impetus to a policy of good

neighbourliness are contingent upon the local politicians’ shifting support, which restricts the European leeway. That said, the EU could consider the following three propositions as leverage to promote good neighbourhood relations:

1. Member States need to act cohesively and speak with one voice;
2. people-to-people initiatives to develop exchanges among Balkan countries should be sponsored;
3. an inter-Balkan free-trade and free-travel zone could be launched.

1. Acting cohesively

EU cohesion is of utmost importance: the EU needs to show political unity and speak with one voice. Particular attention should be given to demonstrate determination and solidarity in order to foster cooperation among Balkan countries. The negative impact is double, indeed, when the 27 Member States express divergent views on enlargement and make their disagreements public. Not only do they somehow invite candidate countries to exploit dissension, but they also strengthen the position of those who are supported, thus adding fuel to bilateral disputes. Border and sovereignty disputes are often used for partisan political purpose, since they are seen as a means of existing on the national political scene. Therefore, the selective support from some Member States without EU coordination puts in danger the fledgling relations of good neighbourliness in the Balkans. It legitimates SAP countries’ demands and encourages them to stick to their claims. In this respect, EU cohesion is pivotal to the strengthening of regional cooperation.

Moreover, Balkan peoples and officials are bewildered by contradictory statements made by EU representatives. Most of them expect from the EU to act as a single body and some have expressed their disappointment when the European foreign policy is adjusted to the requirements of one uncompromising member State representative. When the EU hesitates and lingers on, people tend to lose their trust in its institutions, undermining the credibility of its projects and instruments. These instruments also need to be enriched and adapted to the specific situation in the Balkans. For example, the EU lacks of binding conditions concerning border settlements and can only refer to the good neighbourliness duties without imposing standards. Would the EU succeed in acting as a united driving force, it would set the example and pass along the message to any candidate countries that it's no use trying to lobby one member rather than another in hopes of getting full membership quicker and closer with fewer efforts. The onus is now on the EU to avoid the media hype regarding membership dates or the extension of visa liberalisation and advocate for the respect of good neighbourly relationship unambiguously. It needs to insist on the *pacta sunt servanda* principle, which no countries can disregard, which means that ambition and standards should not be lowered for the Western Balkan region.

For this purpose, the EU can use its normative power, which makes it strong as water if not as stone, especially since Balkan countries are keen to accepting EU instructions and programmes which they consider as necessary stepping-stones on the way ahead to membership. Time will also tell to which extent the newly-nominated President and High Representative for Foreign Affairs and Security Policy will be able to embody the European Union on the international scene. But good and sustainable neighbourhood relations also involve the active support from population.

2. Developing twinning projects

Because regional cooperation revolves around people's commitment as much as govern-

ment's agreements, nations have to be brought together on a more personal level through grass-root level initiatives in order to build long-lasting reconciliation. Many projects have already been designed and funded, but it would also be ideal to develop exchange programmes in the Balkans between local officials, students, professionals, etc. Coordinated by the Regional Cooperation Council (RCC) which sustains regional cooperation in South East Europe, these programmes could cover various sectors such as education (students and professors), administration (civil servants), judiciary (judges, prosecutors and legal clerks), health (doctors and nurses), etc.

Betting on the education crucible, where young people get to know one another, this initiative includes setting up an Erasmus-like programme for Balkan students ready to study in the Balkans. Most of them yearn to get a scholarship to Europe or the United States, but there also is a current trend of studying in Croatia, where reputed universities have attracted many Bosnian, Albanian and Serbian students. Developing exchange programmes in the region will benefit from successful previous actions such as the summer university in Prishtinë/Priština, and bilateral cooperation agreements in the education sector (2). The main challenges thus are to offer high learning quality and to make border crossing easy – an issue which is tackled in the third paragraph.

In addition, this proposition implies a decentralised cooperation scheme in the Balkans, which would involve short-term and medium-term secondment for civil servants as well as other employees. Professional exchanges should contribute to increasing relationships between counterparts who have the same EU accession ambition. They will enable people who belong to comparable working areas to share expertise and knowledge, to learn the languages of the neighbouring countries, to get to know their neighbours' working environment, as well as to consider the others as colleagues instead of competitors and feuds, thus re-creating a common space.

Less popular but as relevant as the above-mentioned, building the legal framework for au

2) For example, Albania and Macedonia signed such an agreement in February 2010

pair agreements, which will encourage youngsters to experience the neighbouring culture in a host family, and establishing sister-city relationships among Balkan countries complete this multidimensional proposition. The twin city model works as a partnership which promotes cultural and commercial ties and it is rooted in the political willingness to build peace and reconcile nations. In the aftermath of the wars of the 1990s, it would bring Balkan people into a closer understanding of one another and promote cross-border projects of mutual benefit in preparation for EU membership.

Developing people-to-people exchange schemes fulfils the priorities set up by the Thessaloniki Agenda, which included the extension of the instrument of twinning projects to all SAP countries, but it will also create various cooperation spaces with "dotted borders" and, hopefully, "the feeling of a region" in the long run. It will draw up overlapping circles related to different cooperation areas and limited by thematic non-territorial borders among various association groups, to set up a loose union based on a common will to work and trade together, as well as travel freely.

3. Creating a free-trade, free-travel Balkan area

Two of these cooperation spaces could be a visa-free area and a tax-free area, which will structure a kind of Balkan economic community to pave the way for its future accession. It must be underlined that this community will not have a political dimension insofar as governments are adamantly against any hegemonic leadership, which has not only caused wars in the region but would also encroach upon their recently gained powers. Neither will it mean postponing the enlargement to an indefinite future date; on the contrary, it will keep the candidate countries on track in their progress towards Europe. The purpose here is to mollify a cultural, economic and geographic grouping with a customs union to promote the free movement of workers, capital, services, and goods in the region. The Benelux and the Nordic Council could be used as examples. The Balkan

countries would be voluntarily bound with conventions in a wide range of subject matters, resulting in a common labour market and free movement across borders without passports for the countries' citizens, as well as leading to the unification of the law of the Balkan countries. This inter-Balkan forum would aim to foster cooperation on legislation in the region and to share the efforts with respect to the EU legislative approximation.

This initiative was somehow recommended in the Thessaloniki Agenda, which listed priorities such as further development of regional free trade and visa-free movement in the Western Balkans. The Agenda invited to explore the possibility of abolishing visa requirements for travel between their countries, through bilateral agreements, also ensuring compatibility of such measures with EU requirements. A first step was made when the amended and enlarged Central European Free Trade – CEFTA 2006 (3) – entered into force in 2007, providing a framework for the parties to prepare for EU accession. However, its implementation has been jeopardised by Serbia and Bosnia and Herzegovina's boycott of the products with Kosovo's customs stamp and their refusal to extend reduced tariff privileges for Kosovo products under CEFTA. Despite this failure, multiple recent examples of bilateral cooperation are encouraging. The Slovenian-Croatian border arbitration agreement has recently been endorsed by Slovenia's Court; Serbia and Croatia have found a compromise and re-opened the border demarcation talks last April, after seven years of silence; Kosovo and Macedonia signed an agreement on border cooperation on May, which includes the construction of a new border crossing point. Even in Kosovo, the recognition of which remains a vexed question, officials are happy with the extensive cooperation projects they have conducted with most of neighbouring countries – including Greece which has not recognised the Republic of Kosovo yet.

Local support is the lynchpin of this last proposition. From a political standpoint, some officials have already posited that a visa-free and tax-free Balkan union should be envisioned. Citi-

zens are also keen to promoting regional cooperation: the vast majority are convinced that their country should strengthen its ties with its neighbours (4). Let's hope that the upcoming Sarajevo summit will take into consideration these aspirations even though it will most probably not be able to solve never-ending disputes. By the time of writing, the institutional stalemate in Bos-

nia, the political crisis in Albania, the recognition of Kosovo's statehood and the name dispute in Macedonia have dented hopes. It is high time for Balkan countries to demonstrate their full commitment to cooperate, because joining an enlarged EU will mean the courage to compromise and the skill to reach consensus.

Propositions :			
1. Acting cohesively			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
a. prompting cohesive action among Balkan countries b. pushing local polemics into the background c. limiting competition among Balkan countries in the EU membership race	a. predominance of national interests b. development of nationalistic opinions within the EU	a. Balkan countries respect to EU recommendations b. EU normative power c. the newly-nominated President of the European Council and High Representative of the EU for Foreign Affairs and Security Policy (?)	a. Balkan citizens loose trust in the EU b. candidate countries lobby one or a few Member States and exploit dissension c. inappropriate instruments to the specific situation in the Balkans
2. Developing twinning projects			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
a. expertise exchange b. considering neighbours as colleagues and partners whereas as competitors and feuds c. creating a common space and the feeling of a region d. existing linguistic and historical community	a. lack of willingness from national authorities b. scarce financial resources to support the candidates leaving for training c. visa restrictions	a. previous exchange programs, such as Erasmus and the Regional School of Public Administration b. existing sister-city relationships among Balkan cities c. RCC coordination role d. existing bilateral cooperation agreements	a. limited success among citizens b. difficulties to improve educational infrastructure c. unfair selection of those who will benefit from the projects d. illegal human traffic
3. Creating a free-trade, free-travel Balkan area			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
a. providing a framework for the parties to prepare for EU accession b. sharing the efforts with respect to EU legislative approximation c. boosting the regional economy	a. the not-yet finalised process of state building b. the partial recognition of Kosovo's statehood c. national economic interests	a. Thessaloniki Agenda (visa-free movement in the Western Balkans); CEFTA 2006 b. Nordic Council and Benelux c. local support in the political class and among citizens	a. wariness of any political union b. governments choose <i>statu quo</i> rather than changes

4) *Insights and Perceptions: Voices of the Balkans. 2009 Summary of Findings*, Gallup Balkan Monitor, in partnership with the European Fund for the Balkans, Brussels, 2009, p36-37

Lack of Political Will Thwarts Anticorruption Efforts

Gordana Igric

and BIRN team in Belgrade, Bucharest, Pristina, Tirana, Skopje, Sarajevo, Sofia, Zagreb, Podgorica and Brussels (BIRN - Balkan Investigative Reporting Network)

Barely a week goes by in the Balkans these days without a new corruption scandal splashed over the front pages of major newspapers, complete with names, dates and bribes - former ministers arrested in Croatia and Macedonia, drug lords that escape justice in Serbia and top officials charged with corruption appointed in Albania and Montenegro.

Warnings from the European Union that the bloc has learned from its past mistakes and won't admit countries still mired in corruption serves as wake-up call and it is clear that European aspirations are driving much of the change. Pushed by the EU, governments have lined up to proclaim "zero tolerance" for corrupt behaviour.

But how serious are they?

Corruption in the region remains widespread in all sectors, from the healthcare system to customs and tax institutions and the parliament. The reasons are myriad: weak laws, inadequate investigations by police, corrupt judges and politicians, insufficient sentencing and a lack of coordination of anti-corruption efforts. Western Balkan governments are still only paying lip service to demands from Brussels to clean up their acts.

While different governments are making more or less successful attempts to persuade the EU that they are being as cooperative as they can, experts say the real progress in the fight against corruption and organised crime is measured not by the number of arrests, but by simple indicators: convictions by a court in a fair trial, the amount of dirty money confiscated, or the number of illegally acquired properties taken away. And such efforts have not yet been seen.

With no real political will, and with the general apathy of ordinary citizens, little real progress is

being made. What can be done?

There are a number of steps that can be taken but all depend on political will. Such steps include releasing the judiciary from the grip of politicians, greater transparency across all areas of government, serious control over political party financing, oversight of state-run companies and public tenders, strengthening anti-corruption agencies, adopting relevant laws, better pay for those most vulnerable to corruption; training police or special investigative units to be able to successfully carry cases to the final sentencing.

Finally, media outlets should rid themselves of corruption within their own ranks in order to be able to raise public awareness and investigate high profile corruption cases in a serious manner.

Bad Boys on the Bloc - The Romania and Bulgaria experience

Brussels insists it won't be repeating the mistakes it made by allowing Bulgaria and Romania to join before they had dealt with endemic corruption.

It's a problem that continues today as EU membership has not been a sufficient stimulus to root out corruption and organised crime in either place.

Three years after they joined, both are widely deemed the bad boys of the bloc, still struggling to tackle their deeply-rooted corruption problems.

The troubles these two neighbours face are chronic. During the turbulent post-communist transition years, the Bulgarian capital, Sofia, became a virtual battlefield between rival crime groups, featuring mafia-style killings and shootings in the streets. No major criminal leaders have been convicted.

In Romania, corruption is no less evident. In all recent polls it was ranked as the most important issue, with most surveyed saying they did not trust the judiciary to apply the law impartially.

Brussels in 2008 suspended funds worth millions of euros to Bulgaria.

Both countries insist they are mending their ways with recent high-profile arrests of politicians and alleged mafia kingpins.

But Europe remains to be convinced that the problems have been sufficiently addressed in either country, and continues to point the finger of blame at the courts, citing the slow pace of judicial reforms and inadequate sentences for those found guilty.

An EU diplomat said the union was aware that Romania and Bulgaria were not totally prepared for membership.

"We made the mistake when we promised them to take them in, then we made a political decision to admit them despite the lack of progress," said the diplomat, speaking on the condition of anonymity. "Our theory was that it is better to have them under control and the best way to do that was to have them in."

The union's less-than-positive Bulgaria and Romania experience is having a real impact on Croatia's EU hopes.

A spokesperson for EU Enlargement Commissioner Stefan Fuele said lessons had been learned from the last enlargement, suggesting Brussels would apply tougher rules next time.

"These lessons form an integral part of our enlargement strategy, now focusing even more and at an earlier stage on the fight against corruption, administrative and judicial reform and the rule of law," said Angela Filote. "This is why we have established a system of specific conditions for progressing in the accession negotiations on these issues.

"What we are looking at is increased quality of the preparation process, so that countries will join the EU when they are ready to make a positive

contribution to it. We do not intend to repeat the formula applied in the case of Romania and Bulgaria, but rather to make sure that countries accede to the union only if and when they are fully ready."

Croatia will be among the first to be subject to these more stringent regulations, but economic analyst Hrvoje Stojic says that could be positive thing in the long run.

"Romania and Bulgaria got through under softer criteria and with pledges to finish the required reforms once they become member countries. Demands put before Croatia are much stricter, and our negotiations are more difficult as a result, but I believe that they gained in quality for that reason," he said.

Little Progress so Far

But EU membership is by no means a certainty for Croatia if its progress on weeding out corruption doesn't improve.

Though the country has progressed the furthest along the road to Europe, the latest research by corruption watchdog Transparency International shows that the perception of corruption in Croatia increased in 2009. Its Corruption Perceptions Index (CPI) was 4.1, slightly better than Romania and Bulgaria's 3.8 and Serbia's 3.5. In 2008, Croatia scored 4.4.

There has been movement in recent months to tackle corruption and organised crime with high profile arrests, but recent police operations show there is still plenty to be done with corrupt practices in state companies, the army and academia exposed.

Albania, which applied for EU membership in April 2009 and joined NATO the same year, also continues to score poorly in domestic and internationally-conducted corruption surveys and reports.

Following the collapse of its Stalinist regime nearly two decades ago, graft has been endemic, which is hampering its further integration into the EU.

A survey last November published by the Gallup Balkan Monitor, the biggest public opinion survey ever conducted in the region, found that 52 per cent of Albanians said they had to pay a bribe in the past year. That was by far the highest figure in the Balkans.

A study conducted by the Institute for Development and Research Alternatives, IDRA, found the Albanian public's experience and perception of corruption worsened last year. Around 49 per cent think that corruption has increased compared with a year ago. Customs officials, tax officials, ministers, parliamentarians and doctors are perceived as the most corrupt.

This view of corruption levels in Albania is shared by the Council of Europe which says corruption and organised crime in Albania represent the "single biggest threat to the functioning of democratic institutions and the rule of law".

The World Bank, meanwhile, calls Albania the most corrupt country in the Western Balkans.

Organised crime is a particular problem but some insist the situation isn't that bad.

One local expert argues that although Albania's organised crime syndicates receive much media attention, and often enjoy political protection, they have not developed yet to the level of infamous groups like the Sicilian mafia. "The truth about Albanian organised crime is that it is not that organised," said Agron Sojati, Albania's former representative at the Southeast European Cooperative Initiative Regional Centre for Combating Trans-Border Crime.

The 2009 index from Transparency International showed Serbia also has a long way to go before reaching Europe, despite actions taken to tackle its problems and government pledges to the EU to cut corruption.

According to the survey, Serbia is ranked 83rd with a CPI index of 3.5, marking it as a country with a large problem with corruption. Serbia's CPI index score increased by 0.1 over the previous year, when it shared 85th position with Montenegro, Albania, India, Madagascar, Panama and Senegal.

All reports from the European Commission and US State Department point to corruption and organised crime as the main problem in Montenegro.

And Montenegrins agree, citing customs, the judiciary, police, healthcare workers, tax officials, private business, local government, real estate administration and the parliament as major offenders, according to a survey by the Monitoring Center, CEMI, a Montenegrin NGO.

Being faced so often with corruption has had an unfortunate, though not unsurprising, affect on the people of Montenegro. Around 70 per cent said they believe that corrupt behaviour is the best way to achieve results.

In Kosovo, the European Commission's 2009 Progress Report – followed by increasingly trenchant statements from international diplomats – delivered a wake-up call to its institutions to clean up their act.

According to the report, "Overall, there has been limited progress in the fight against corruption, which is a key European partnership priority. "Corruption remains prevalent in many areas in Kosovo and continues to be a very serious concern."

US ambassador Christopher Dell slammed Kosovo's failure to bring corrupt officials to justice in an interview in February. He said: "We all know that corruption is one of the challenges this country faces and yet in 10 years, to the best of my knowledge, no senior person, not even a middle ranking leader, has ever been convicted on a corruption charge, and I think that fact is noticed by the people here."

Ramadan Ilazi is executive director of the FOL08 movement, a Kosovo NGO which covers corruption issues. "Corruption in Kosovo is connected to organised crime and, it seems, to politics, which makes it impossible and dangerous to fight. This has led to the spread of corruption, which has been transformed into a lubricant for the process of decision making in Kosovo.

Engjellushe Morina, executive director of the think tank Iniciativa Kosovare per Stabilitet, IKS, said the scale of the problem isn't really known.

"It's difficult to know what the real situation of corruption is in Kosovo. There are reports and statistics that talk about the experience and perception of corruption. However, these statistics are not enough to understand the character of corruption in Kosovo. Until now there hasn't been a detailed explanation of what form corruption takes in our country and where it mostly happens.

Graft among high-level officials is certainly an issue and a problem Kosovo shares with Bosnia where the situation is acute and allegedly reaches the top levels of government.

According to the European Commission's 2009 progress report for Bosnia – which has said it hopes to apply for EU membership by the end of the year – the country has made little movement in its fight against corruption.

The report noted that there is no effective investigation, prosecution and conviction of suspects of high-level cases of corruption in Bosnia and pointed to the continued problem of weak coordination of anti-corruption efforts at the level of the state.

Other problems identified in the report include weak cooperation between police and prosecutors and slow judicial follow-up of cases of corruption.

"Overall, corruption in Bosnia is prevalent in many areas and continues to be a serious problem, especially within government and other state and entity structures, linked to public procurement, business licensing, in the health, energy, transportation infrastructure and education sectors," the report said.

Transparency International last year ranked Bosnia and Herzegovina between 99th and 105th place on a corruption list covering 180 countries, below any in the former Yugoslavia. Russia was the only European country ranking lower.

Srdjan Blagovcanin, the executive director of Transparency International in Bosnia, said the

country is a "captured state", meaning that everything is under the control of the ruling oligarchies. "They even control making of the laws to make sure that legislation will be such to protect their interests," he said.

"Bosnia is perceived as the most corrupt country in South-East Europe, despite many other tough competitors for that unfortunate title.

"On rare occasions when large-scale corruption cases involving political leaders reach the court, this is publicly presented as attack against their entire ethnic group."

Svetlana Cenic, an economist and former finance minister in the Republika Srpska, explained that government officials typically award lucrative public contracts to whoever is willing to pay the highest bribe and use supposed "anti-corruption drives" to get even with political opponents.

In this way, the government fuels the grey economy, because "companies must work illegally in order to obtain cash for bribes," she said.

Perhaps not surprisingly, the lack of political and judicial will to deal with corruption means it has become deeply entrenched in the daily lives of ordinary Bosnians.

Experts warn that it has become a way of life, with bribery, nepotism and tax evasion seen as acceptable ways of doing business.

A shop owner in Sarajevo, who asked to be identified only as Fata, said that she paid €7,000 last year to secure a cleaning job for her daughter in a public company. "I know that this is not right, but everyone does it and there is no other way. You have to pay to be properly treated by a doctor. You have to pay to enroll your children in school and you have to pay to get them employed," she said. "This is normal."

Political pressure is blocking significant reform in Macedonia which on paper has comparatively good laws regarding the fight against corruption.

Slagjana Taseva, head of the NGO Transparency-Zero Corruption, said that Macedonian anti-corruption legislation is comprehensive and that

the country has signed most of the international conventions in this area.

She notes, however, there is a strikingly selective approach when it comes to tackling corruption cases involving current and former high-ranking politicians on one hand and the lower ranks of society and public administration on the other.

"What is missing is a political will to tackle big corruption cases, a will to let the institutions work efficiently and implement the laws without political pressure," said Taseva.

Roots of the Problem

During the 1990s, all countries faced the controversial privatisation of state-owned companies, a process which strengthened the link between the business oligarchy and the political elite. This bond has since entangled the media, parliament and many other parts of society.

Accepted privatisation models in the early days of the transition allowed the managers, almost always close to the ruling political party, to buy shares of state companies. Today, many of these former managers have become so-called Balkan tycoons, and they often exercise influence on parliamentary decisions and lobby for legislation to secure their own wealth and that of their old or new political allies. Murky financing of political parties remains one of the main source of the corruption, which later translates to the lower levels of society, only to assure broader public that nothing can be done.

To this day, state run companies (public enterprises) have remained a playground for post election party bargaining, with top company posts offered as an award to loyal party supporters and very often as cash cows.

The business environment, which remains over-regulated, creates openings for corruption with its long and complicated procedures to register or obtain licenses or construction permits. In some countries there is a complete lack of necessary legislation, like the absence of a law on lobbying or a law on the protection of whistleblowers.

The wars in the former Yugoslavia and the UN sanctions imposed on Serbia and Montenegro allowed secret services in former Yugoslav countries to control organised crime groups that smuggled weapons, tobacco and drugs, and share the profits. From these illegal sources the ruling elites filled the state budgets, but also their own pockets. The connections between politicians and organised crime are still visible in some countries.

When communism/socialism collapsed in the 1990s, bloody wars and Ponzi schemes unfolded across the region, and the states had to be largely rebuilt from scratch. Consequently, there is a legacy of large, non-competitive bureaucracies, an insufficiently developed market economy, insufficient resources and lack of democratic management. Long-standing single party rule has solidified bad practices, as in Montenegro, and until recently in Croatia.

As a result, Balkan states still have weak institutions; those most vulnerable to political influence include investigative police units and the judiciary.

Lutfi Dervishi, executive director of Transparency International Albania, explains, "If we take a historical look, this country has not a very amicable relationship with the rule of law. For 500 years under the Ottoman Empire and 50 years under communism, citizens have viewed the state as an institution that you better have nothing to do with.

"This is a tradition that brings forward the graft culture. Being a small society there is a lack of deep understanding of corruption [which is] often seen as a shortcut to get things done.

Macedonia's culture of corruption is also long-standing but escalated after independence in the early 1990s.

The controversial privatisation of the state companies that followed only strengthened the link between the business oligarchy and the political elite, a bond that has since entangled the media, parliament and many other parts of society.

Saso Ordanoski, from Transparency Macedonia, explains that the way companies were privatised was problematic.

"The model that Macedonia accepted was to allow the managers to buy shares of the then state companies. This was done with hope that they will know best what to do with their companies in order to save them from bankruptcy," said Ordanoski. "The idea was that their interest as owners will drive them to be more successful."

But things didn't work exactly as planned and with little state or judicial control over their activities, the managers set about enriching themselves.

A key factor for this, according to Ordanoski, was the lack of an efficient and impartial court system free from outside influences, particularly political.

Sam Vaknin, an advisor to the Macedonian finance ministry from 1998-2002, says "the corruption never stopped from the socialist era. During the transition from socialism to so-called capitalism the corruption only changed its nature.

"In Macedonia corruption is not imported but something that is embedded in the very system. The corruption is the state and being corrupt is something to be jealous of. Instead of wanting to put him in jail, people want to be like the corrupt ministers, to drive their cars and sleep with their women," he said.

Macedonia's geography has also played a large part in its corruption problem – situated in a formerly unstable region and surrounded by countries at war.

When the international community imposed a trade embargo against Macedonia's northern neighbor Serbia, suppliers to the government in Belgrade used Macedonia as one of the main routes for goods from Greece.

"Macedonian nationals opened fake companies across the world intended for money laundering and for that they received huge commissions," said Vaknin. "At the beginning they traded with oil, steel and nickel but as the situation in Serbia became worse they even started trading food and

other commodities.

As with Macedonia, poor privatisations and war time legacies are also a factor in Serbian corruption today, according to Cedomir Cupic, president of the board of the country's anti-corruption agency.

"Serbia has got into such stadium of corruption as consequence of the governments' policies during the 90s, war politics and awful privatisations," he said. "Corruption has always represented a great source of rapid and large accumulation of wealth. As such, it is easily spread and thus becoming more difficult to be rooted out."

Complicated political configurations which brought peace to Bosnia and Herzegovina, but also huge corruption, are blamed for the situation there.

The 1995 Dayton peace agreement which ended the war left Bosnia with multi-layered governmental structures dominated by nationalist ethnic leaders who "treat public wealth as their own" and use their time in power for self-enrichment, said Svetlana Cenic.

She said to divert attention from their corrupt practices, political leaders play nationalist sentiments and obstruct necessary reforms. "Bosnia is a perfect country for corruption because corruption is built into the system," said Cenic.

But weak institutions are also a contributing factor.

Srdjan Blagovcanin from Transparency International Bosnia blames some of today's problems on, "the fact that the state was being built from scratch after the war. Also, like all other ethically divided and post-conflict countries, Blagovcanin says "Bosnia provides an ideal breeding ground for corruption" due to the absence of the necessary institutional and regulatory frameworks.

He says that that while some areas – such as the business environment – remain overregulated opening space for corruption via long and complicated procedures to register or obtain licenses or construction permits – in other areas there is complete absence of necessary legislation. Bosnia

is still without a law on lobbying or a law on the protection of whistleblowers.

One of the rare investigations into corruption which was not based on public perception, but solely on analysis of the system was the 2007 Swedish Development Agency report, "Corruption in Montenegro: Overview of Main Problems and State of Reforms".

It concluded that Montenegro shared many problems with other post-communist countries including: a legacy of large, non-competitive bureaucracies, an insufficiently developed market economy, insufficient resources and lack of democratic management.

Long-standing single party rule has solidified bad practices. The Democratic Party of Socialists, which inherited power from the Communist Party, has governed Montenegro for 60 years.

Montenegro's small population is also a factor, meaning that statistically speaking those in key positions will almost certainly be related or otherwise connected to each other.

"In [other] countries of the region, the connection between the authorities and crime has weakened, because the authorities changed, the power moved to other political structures, but in Montenegro this has not happened yet. Of all the countries in the region, we think that the situation is graver only in Kosovo," said Vanja Calovic from the Network for the Affirmation of the Non-Government Sector, MANS.

Kosovo's anti-corruption agency has received 400 complaints about corruption since it was launched in February 2007. Of these, 61 cases have been reviewed and seven indictments issued, but not one has resulted in a court appearance.

Hasan Preteni, director of the agency, has sent 150 cases of fraud to the prosecutor for trial, but not one has come to court. He has called for changes within Kosovo's judiciary, which he said is blocking his work by not processing cases.

Shoddy investigations and flawed trials often result in the guilty going free in Macedonia.

High-profile arrests of police officers, customs officials, doctors, and tobacco counterfeiters in operations with striking names like "Ash" or "Snake Eye" have resulted in headlines but few convictions, revealing the weaknesses of police investigations.

"The massive arrests in front of TV cameras characteristic for the past few years tend to create impression of a serious fight against corruption. Later we see in the courts that there is insufficient evidence against the suspects," said Taseva.

According to the European Commission's Montenegro 2009 Progress Report, a track record of corruption cases in courts is being built but the number of final convictions remains low. The EC says that the investigative capacity of law enforcement bodies remains weak due to shortfalls in expertise, specialised equipment and working conditions. Particularly lacking in Montenegro is expertise in modern financial investigation, the EC says.

Agron Sojati from the SECI Regional Centre for Combating Trans-Border Crime, who now runs the witness-protection unit of the state police, says that police officers in his country investigating corruption face a real dilemma.

"You can be stupid and risk getting killed, you can be corrupt or just play incompetent and close an eye," he said.

What Governments Are Doing

It's a bleak picture, but governments in the region insist they are making progress and taking seriously issues surrounding corruption and organised crime in their countries.

Serbian president Boris Tadic has declared war on the mafia and says he will not back down at any cost. "There will be no political concessions and we will see this thing through to the end," said Tadic.

The telephone lines of Serbia's Anti Corruption Agency were busy in the last days of January this year, as many of the country's 18,000 public officials sought advice on completing declarations of their assets before the end of the month dead-

line. The agency announced that details of their declarations will be posted on their website after the data has been verified.

In Kosovo, prime minister Hashim Thaci has been pushed to sack corrupt officials in the run-up to his much trailed reshuffle of Kosovo institutions, which began in late March.

The International Civilian Representative, Pieter Feith, and British Ambassador Andy Sparkes have made repeated calls for the prime minister to use the so-called "reformatisation" to ditch corrupt officials.

Thaci has replaced six ministers as well as a number of deputy ministers and heads of agencies in what he claims is a move to tackle corruption and improve efficiency.

Following the changes, Thaci's office issued a statement saying "these decisions are part of efforts to strengthen good governance, the rule of law, transparency and the fight against corruption and organised crime".

In the meantime, EULEX raided the ministry of transport. EULEX's chief prosecutor has said Kosovo's Minister of Transport, Fatmir Limaj, and the ministry's head of procurement, Nexhat Krasniqi, could face up to 55 years in jail if they are found guilty of corruption charges. Another six ministers are also under investigation for corruption.

Croatia's justice minister, Ivan Simonovic, told the EU Croatia Conference in Zagreb on April 29 that judicial reforms are going well. Croatia has succeeded in reducing the backlog of court cases by half and obtaining several convictions for corruption. A former deputy prime minister and one ex-minister are among those detained on corruption charges.

Increased police activity on corruption in Croatia notably coincided with the surprise resignation of the prime minister Ivo Sanader and the arrival of his replacement, Jadranka Kosor, in July 2009.

"Following a period in which the attorney's office and police were pressured to stop certain investigations, the new premier, Jadranka Kosor, ended this practice. This allowed them to do their work

and even investigate some cases which were previously shelved," said political scientist Nenad Zakosek.

Despite an increased number of investigations, government efforts to tackle corruption are still insufficient, said Zorislav Antun Petrovic, head of the Croatian branch of Transparency International.

"The main problem which is undermining the fight against corruption is lack of political will to consistently implement the existing laws," said Petrovic.

"So far the steps were taken following mostly pressures from the EU, also pressures from the citizens, but least of all as a result of the awareness of the country's leadership that corruption should be eradicated for the survival of the state.

"When it comes to eradicating corruption the government behaves like an irresponsible person on a diet – always looking for excuses to delay its start, always announcing reforms that are never implemented."

Like Croatia, Tanja Miscevic, vice-president of the European Movement in Serbia and deputy head of the board of the Anti Corruption Agency, knows her country won't progress on its path to Europe unless it convinces the EU it is tackling corruption and organised crime.

"Serbia should fight systematically against these two things but not with the hope to eradicate it completely as it is impossible," said Miscevic.

She noted that corruption and organised crime were not a new phenomenon. "Serbia is not expected to create a new model but to use already existing models from countries that have successfully fought the issue," said Miscevic.

The 2007 appointment of general prosecutor Ina Rama in Albania resulted in a series of probes reaching the highest echelons of power. However, few have progressed as despite its "zero tolerance" policy toward corruption, the government of prime minister Sali Berisha has attacked her for filing court cases against two key ministers. They were later scrapped by the Supreme Court.

The EU and the US have come out publicly to defend Rama's work. "General prosecutor Ina Rama has exhibited dedication and commitment in protecting the integrity and the independence of her office," said US ambassador John L Withers during a meeting with Rama in the Tirana prosecutor's office in March.

Though the government has massively reduced human smuggling in the Adriatic Sea over the past four years by banning speedboats on its coast, drug trafficking and cultivation have remained a problem.

"In response to international pressure and with international assistance, the government of Albania is confronting criminal elements more aggressively but continues to be hampered by a lack of resources and endemic corruption," notes a US State Department International Strategy for Narcotics Control report.

Macedonia also has a new head of its anti-corruption agency – the State Anti-Corruption Commission.

Political scientist Ilmi Selami was appointed in March after his predecessor Mirjana Dimovska was slammed by opposition parties and NGOs for her inactivity over the past three years. They had accused her of turning a blind eye to crimes committed by government officials and those close to them.

"We will continue with the same pace of work and we will try to better ourselves in the areas where we think that we can do more and that were also noted in the European Commission reports," Selami told the media after his election.

Slagjana Taseva said Macedonia's failure to challenge high-profile corruption "is the worst thing we can do for our EU aspirations".

Macedonia is already in trouble with the EU which has temporary frozen funds allocated for education and culture projects after allegations that an official had misused money. However, no criminal charges were filed and the State Anti-Corruption Commission was again blamed for its inactivity in probing the case.

A country that made fewer visible efforts to stamp out corruption is Montenegro.

Vanja Calovic, director of the Network for the Affirmation of the Non-Government Sector, MANS, points out that Montenegrin authorities may be reluctant to start a serious clean-up, "because it can easily happen that the trail would lead to the very top." MANS is an NGO that promotes the development of a sound, active and sustainable civil society in Montenegro.

Possible Solutions

A call for "shock therapy" to solve the corruption problems is often suggested by analysts around the Western Balkan region. However, in Balkan states, this usually means one-off political campaign. Eradicating corruption needs to be seen as a genuine process, stemming from a public that is well-informed on the issue, and requires the long term commitment of all parties.

To make it possible there is a need for a coordinated effort from state institutions, civil society, media and an engaged public.

The driving force of that process could be an anti-corruption agencies and councils, whose members must be elected in a non-partisan manner. Such bodies must be funded properly, well-trained and pro-active, with a much greater influence and power, and they must be open to communication with media. One of the main reasons for poor results in the fight against corruption is the extremely complex system of institutions dealing with the issue and their poor coordination. Streamlining the process and giving corruption agencies broader jurisdiction and stronger powers, urging them to work in tandem with relevant institutions that are obliged by law to cooperate, such as the tax authorities, specialised police officers and prosecutors, could be part of an effective solution.

The findings of anti-corruption agencies might have little impact, as is currently the case, if relevant laws are not adopted and properly implemented. Laws on the funding of political parties, money laundering, conflict of interest, lobbying, the protection of whistle blowers and especially

laws on the origin of property are often not in place and not effectively implemented. The lifting of immunity of members of parliament and senior government officials is a priority.

However, real political will is needed here because Balkan states already have difficulty implementing existing laws that are far from perfect.

The weakness of police investigations appears to be, also, a big stumbling block for any legitimate trial related to corruption. A lack of expertise for conducting investigations into financial crimes, bad working conditions and poor salaries are partly to blame.

There is an urgent need to improve police procedures and implement more precise legislation that will determine the use of special surveillance measures by the police. Many cases fall apart in court because the police do not properly use such measures. Specialised training is needed for following the paper trail.

Finally, any potential changes to tackle corruption will not have long term results if the public does not change its approach to corruption and if it does not wake up from its longstanding apathy. Demanding respect for the rule of law is a lesson yet to be learned.

There is a serious need to raise public awareness through educational campaigns run by civil society groups and media.

Media as a Watchdog

Media outlets, should have a watchdog role, but they sometimes participate in the propagandistic moves of the governments, blindly following massive arrest operations staged for the domestic public and Brussels, or waging dirty campaigns against business and political rivals of media owners and their allies. This has led to a disappointed public that has lost trust in the value of information offered, and such news is often treated as pure entertainment.

Publishing problematic leaked information without questioning its accuracy, or simply filling pages with press releases, are everyday occurrences on the Balkan media scene due to lack of skills, or

the political and business interests of media owners.

Behind many media outlets one can find outright or hidden money from political parties, as well as lucrative advertising packages from government officials or tycoons who want to clean up their past.

Additionally, reporting on corruption can be a dangerous business in the Balkans. Threats against journalists working on corruption and organised crime cases have been increasing. There has been limited success in identifying and prosecuting perpetrators and instigators of physical attacks on journalists, and some of them live under 24 hour police protection.

Finally, investigative journalism is expensive, and media outlets, hit by the economic crisis and dependent on weak advertisement revenue, are reluctant to embark on it.

How can such a complex media situation be untangled and yield positive results and at the same time wake up an apathetic public?

Obviously, insisting on media ownership transparency and the transparency of media alliances with political parties is a crucial step, a move which again depends on political will.

There are, however, some steps that media owners, editors, and journalists can take to advance their watchdog role. Journalists can use Freedom of Information Laws, and consult state anti – corruption commissions, the state audit bureau, the financial police, agencies for the fight against money laundering...

They also can use legally guaranteed measures for protection from pressure, threats and blackmailing. This approach could bring back lost credibility and popularity to media outlets and provide more stable profits, rather than ensuring short term political alliances, as is currently the case.

However, corruption in the Balkans is a problem that affects all sectors and requires a multitude of solutions to effectively tackle - there is no doubt that the biggest resistance to eventual joint ac-

tion of the public, media and anti-corruption bodies will not come from the public, but from the top of the Balkan governments.

Bojana Barlovac in Belgrade, Besar Likmeta in Tirana, Sabina Arslanagic in Sarajevo, Sinisa Ja-

kov Marusic in Skopje, Petrit Collaku in Pristina, Boryana Dzhambazova in Sofia, Nedjeljko Rudovic in Podgorica, Marian Chiriac in Bucharest, Zeljka Bilandzija in Zagreb and Gjeraqina Tuhina in Brussels contributed to this report.

The European Union and civil society: what interactions?

Dereta Miljenko

Executive Director, Balkan Civil Society Development Network

There are a lot of prejudices about the degree of development and influence of CSO in the Balkan countries. Most often Civil Society is perceived as weak and without influence on policies development and decision making. I think the opposite. Although the process of CSO establishment and degree of development varies from one country to the next, CSOs were crucial at the initiative phase of political changes and remain an important actor in the process of reforms, social changes, democratisation, promotion of HR values and thus EU accession processes. They are the natural ally of EU, sometimes even more than political structures. Unfortunately this has been recognised only recently.

Looking for reliable partners in the Balkans EU recommends if not imposes partnership of governmental structures and CSO. This policy is based on a strange presumption that governments in the Balkans are interested, motivated and capable of developing civil society. It is just the opposite. In most countries of the Balkans, or at least in Serbia, CSO have rather tense relations with governments and are more often perceived as competition than as possible partners.

This results in some kind of "monopole" of government on the accession process that is visible in relatively few and scarce information sharing and consultations. EU should make the accession process more transparent for CSO as national governments will not do it willingly.

This is necessary as a precondition for CSO to fulfil two basic roles assigned to them in the accession process. The first is to monitor governments in their efforts to make necessary and effective steps in reaching requested changes and standards.

The second is to inform and motivate citizens on EU and the necessary political, economic and social changes and motivate their support and participation in the accession processes. In the current development of the situation this is almost impossible to do. People are better informed and wiser than many believe. They see that the so called "conditions for accession" are unequal and that criteria are different and not really transparent. They see that at the end the decisive criteria are political and that opens many questions such as the recently asked one: Why and how Bulgaria and not Croatia? The development of the situation proved the question to be legitimate.

So, to answer the question directly, people feel quite frustrated. Poverty and problems are increasing and the EU membership carrot is getting further away. Apart from the final aim and the technical aspects that are not in any way attractive to the population the enlargement process is quite undefined in benchmarks and timeframes. The population is asked to understand and support a process that will bring them an improved life "one day..." "These promises are made by absolutely mistrusted local politicians and European politicians that are facing serious challenges within EU on a daily basis. Messages that are sent to the so called "people" are often contradictory and paternalistic. For many it smells quite a lot like the old times of state propaganda.

The only way to increase and have a really productive participation of citizens is to involve them in a practical way and give them part of the ownership of the process. That is where the real role of CSO is and should be enhanced.

Some of this exists in the process of consultations for the annual country progress reports. But even there, CSO are engaged for consultations on the side of the Commission instead by their respective governments.

Special attention is necessary when it comes to EU funding procedures for CSO. They are so high on financial participation that they can be met by just a few local organisations. This endangers the sustainability of most local CSO as local funding opportunities almost do not exist. Coherent policies in this area would help: For example in the nineties the Commission established a fund in Romania that contributed a lot to independent development of CSO. This model was not replicated in other countries of the Balkans. Why? For profit organisations from EU are engaged to build the capacity of non profit organisations in the Balkans. Why if not for keeping most of the assigned funding in EU?

Could governments be obliged to use IPA money for the necessary participation in EU funded projects for CSO? Can the projects be long term as short term projects approach gives

limited results? Can EU to finance processes instead of short term projects?

Should the policy be changed and time limited (3 to 5 years) institutional grants introduced as a strategic decision for building civil society institutions?

There should be more clarity and caution in wording when it comes to the region and country specifics. It is obvious that the accession process will not be regional but country by country. This is extremely important for communicating with citizens and puts another light on regional cooperation. We should be building the notion of the Region by defining its borders and its members. The term Balkans implies an almost medieval, ottoman heritage but does not include Turkey. It often includes Slovenia and Croatia and I am not sure how much they agree with that. Very often the public in Croatia would react negatively to that affiliation. It should imply a space composed of individual countries that will in the relatively close future join EU and should cooperate in this accession process in order to achieve easier specific and necessary conditions.

<u>Propositions :</u>			
1. Make CSO funding more independent from gov. so they can become real partners (Currently all IPA funding goes through gov. and imposes relations)			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
a. Independent CSO follow their agenda b. CSO watchdog role strengthened and objective c. GONGO less attractive for political parties	a. government refuses all responsibility for Civil society	a. improve gov perception of role and importance of CSO b. Enhance Development of CS in country specific areas	a. slows down individual philanthropy

2. Create a body dealing with CS in the Balkans in general and not link it only to enlargement / inclusion			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
a. more coherent policy builds long term networking on all levels b. using CSO capacities in full c. builds CS institutions and sustains small CSO	a. bureaucracy tends to over regulate b. centralises relations CSO/GOV	a. easier access to EU institutions b. widening of areas of activity and involvement c. improved understanding of specific needs	a. different DG do not participate
3. Fund processes and CS institutions (time limited up to 5 years) instead of project oriented funding			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
a. CSO can develop long term strategies and programs b. GOV has more reliable partners c. Programmes can be monitored and adapted to new needs	a. Monopoly on certain issues b. Closing down of CSO to new people and ideas c. Lack of criteria	a. development of research and in depth analyses b. Not only locating but solving problems c. more stability and respect in relations with Gov.	a. Possible laziness b. playing it safe
4. Build on existing Balkan CSO capacity respecting country specifics			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
a. Stronger CSO within their mission b Maximal results c. quality of regional networking improved	a. limited number of cso engaged b. concentration on capital and bigger cities	a. CSO capacity development leads to sustainability b. developed capacities enhances cooperation with government	

EU Enlargement in the Balkans: A comparison with Central Europe

Jacques Rupnik

Directeur de recherches, CERI-Sciences Po Paris

Since the end of the war in Kosovo ten years ago the European Union the overall thrust of EU's Balkans policy has gradually moved from an agenda dominated by security issues to an agenda focused on the perspective of the Western Balkans accession to the EU. A formal political commitment by all EU members to that prospect was made at the Saloniki summit of June 2003 and has never been questioned since. Kosovo's independence in February 2008 can be seen as the turning point between the final stage post-Yugoslav fragmentation and the region's process of European integration. A framework was set, the verbal commitments of the political elites in the region were clear enough, the policy tools were supposedly familiar to all since the previous wave of Eastern enlargement. What was the difference between Central Europe and the Balkans? Ten years.

Or so it seemed because there are actually a number of significant differences between the enlargement of the EU to Central Europe and to the Balkans. And there are important lessons from the former enlargement which will affect the latter. There are obvious differences of the post-communist trajectories of the last twenty years between Central Europe in the Balkans: the degree of consolidation of their democratic transitions, their levels of economic development, the degree of their integration in the economy of the EU not to mention regional stability and security.

A second difference concerns the role of international actors such as Russia or Turkey, neither of which played any part in the EU enlargement to Central Europe. Russia is now attempting to establish a foothold in the Balkans both through the Kosovo issue (as an ally of Serbia) and through the energy issue (as a key supplier using Balkan

transit routes to the EU). Turkey has opened enlargement negotiations with the EU before the countries of the Western Balkans which from their perspective was, for historical reasons, far from obvious. The question for the EU's future enlargement approach could be summed up as follows: do you aim, given the geographic proximity, for a 'post-ottoman' enlargement to the South East? Or should the EU, for the sake of political feasibility, keep the two issues separate? There have been interesting and on the whole positive developments in the relations between the countries of the region that could favor such an approach. Greece started that move a decade ago, Bulgaria later followed and most recently Serbia has established closer ties to Turkey. However, the strong public opinion reluctance to the Turkish enlargement (particularly in the founding members of the EU) and the new Turkish assertiveness as an international player suggest that, if you are serious about bringing the Western Balkans in the EU, you better decouple their European accession from that of Turkey?

Another difference with Central Europe concerns the importance regional approach to EU integration. This is an old debate going back to the complementarity (or contradiction) of regional dimension of the Stability Pact for the Balkans and the individual approach encouraged by the SAA process. The standard assumption remains that the "regatta" approach works fine for the EU as it makes the enlargement process 'discreet' enough for Western public opinion acceptance and for the political elites of the countries concerned. All of them cheer for a speedy accession of Croatia as opening the door to the EU for the rest of the Western Balkans. The logic of emulation may work for some such as Macedonia or Montenegro with candidate applications in. But for the unfin-

ished states such as Bosnia, Kosovo and Serbia there may be a case for a parallel accession to the EU. The shared European roof meant to help defuse and overcome contentious territorial and institutional issues. To be sure, nobody's accession should in principle be held hostage to the intransigence of one's neighbour. But given the possible interaction between different aspects of the "Serbian question" it also seems prudent to make sure unfinished statehood issues are settled simultaneously during the accession process when leverage is strongest. This is a case for a regional approach at least on a smaller scale.

The regional approach also helps to address a major concern for the EU in the accession process: the solution of unresolved conflicts. There is no shortage of bilateral tensions and contentious issues. Croatia, to take the frontrunner for EU accession has pending border issues with all its neighbours. The easiest one to solve, because it involved Slovenia, became over recently a very sensitive one risking to block Croatia's EU accession (going all the way to a referendum). The most difficult one concerns obviously the relations between Serbia and Kosovo as even the most pro-European Serbian politicians keep repeating that recognition is out of question. Foreign minister V. Jeremic formulated Serbia's three 'no's: no to recognition of Kosovo, no to NATO accession and no to changing the status quo in Bosnia Herzegovina (i.e. not challenging Dodik's Republika Srpska quest for a state within a state). The third bilateral difficulty on the road to the EU concerns Macedonia's quest for a post-FYROM identity acceptable to its Greek neighbour. Finally, the lesson from Cyprus surely must be: accession into the EU is the main leverage to overcome ethnic divides. Greek Cypriots failed to grasp this first principle of 'European pedagogy' for the Balkans. There will be no EU enlargement without having resolved similar conflicts, partitions or problematic statehood.

This is where EU policies are not always congruent with those of its member states. Some of them have, for historical and geographic reasons, been more involved (Greece, Austria, Italy). Others, new members of the EU (Slovenia, Bulgaria,

Romania), have a direct stake in the region's stability and accession prospects. Proximity and involvement of an EU member state is indeed usually considered to be a powerful vector of EU influence in the region. But it can sometimes become an impediment. Athens's unresolved conflict with Skopje over the name of the Macedonian state has blocked the latter's joining NATO which was supported by all other EU members. Croatia's difficulty or reluctance to settle the border issue with Slovenia has led the latter to remind Zagreb of its necessary consent to Croatia's membership. Perhaps the most explicit warning for the EU in the region comes from the case of Cyprus: it was included to the Eastern enlargement of 2004 at the insistence of Greece and the assumption in the EU was that accession to the Union would be conditional on the overcoming of the partition of the island in accordance with the UN plan. We know what happened to that assumption and this is now considered in the EU as a major lesson for the future in dealing with the Western Balkans.

These developments should suffice to qualify the widespread assumption that a member state is the best stabilizer and "advocate" of its neighbour as prospective candidate member. The inclusion of Croatia in the EU would certainly contribute to the stabilization of democracy there. However, the impact on neighbouring Bosnia-Herzegovina (BiH) remains debatable as Croats from Bosnia-Herzegovina, owning en masse Croatian passports, are losing interest in the future of their state (there are in Croatia more voters than citizens!). Romania is the most vocal advocate of Moldova's future membership in the EU. Its influence over its Eastern neighbour has, during the 2009 political crisis in Chisinau, been described as both 'attraction' or 'destabilisation' by opposing sides in the political struggle. In short, a coherent enlargement policy should also entail a careful consideration of its impact on neighbours and thus its relationship to EU's neighbourhood policy or its "Eastern partnership".

Surely, the most important difference between EU enlargement to Central Europe and the Balkans concerns the relationship between EU integration and nation-state building. First the EU moved from

crisis management to europeanised protectorates. Now it seeks to exit from protectorates in Bosnia-Herzegovina and Kosovo through gradual accession into the EU. For the first time in its history directly involved in assisting in the creation of its future member-states. There are three 'unfinished' states in the Western Balkans: Bosnia, Kosovo and Serbia. EU Commissioner for enlargement Olli Rehn has rightly pointed out that protectorates cannot be integrated in the EU. Nor can unfinished states such as Bosnia and Kosovo.

Is Bosnia a stable state? The answer depends which High Representative you listen to: former HR Paddy Ashdown fears of disintegration while for one his most recent successors, Miroslav Lajcak of Slovakia, the Bonn powers have become irrelevant as well as the HR's office. Is Bosnia a functional state? Certainly not. Fifteen years after Dayton it is a country with a constitution that separates to ensure peace but prevents the emergence of an integrated polity. The country has no Supreme court, no independent judiciary, and operates under three legal systems and four penal codes. The European Court of Human Rights has recently condemned BiH for preventing one of its citizens from running for president on grounds of ethnicity (Finci case). In short: the country needs to move from the Dayton constitution to a Brussels-oriented constitution. No amount of external pressure by European and American (J.Steinberg has visited Sarajevo five times in the past year) has so far, as the Butmir process in the October of 2009 showed, been able to achieve substantial progress on this key issue for the future viability of the state.

The protectorate ensured stability but reinforced dysfunctionality. Can the exit from the protectorate and a shift to a pre-accession agenda be a powerful enough leverage to push through an institutional reform necessary to develop the sense of ownership and make BiH a viable polity? This is where one man's plea for the credibility of the European leverage borders on another man's the act of faith. The one major positive development to report is that Belgrade and Zagreb have, for reasons associated with their European pros-

pects, abandoned the divisive policies of the past. This in turn could help the process of reconciliation without which you cannot build the trust necessary for overcoming the prevailing logic of ethnic communalism.

Kosovo's independence proclaimed in February 2008 has gradually scaled-down UNMIK and launched EULEX as the largest civilian mission ever launched under ESDP. The exit from protectorate became assistance in the building of a new state with the prospect of turning EU presence into a pre-accession monitoring. For the time being the question remains: is Kosovo really an independent state on the road to the EU or is Eulex simply the protectorate's new cloth? Will Kosovo be able to establish a new relationship with its Serbian minority and with Serbia on their parallel tracks into the EU? Or is partition, Belgrade's hidden agenda, an acceptable *fait accompli* for the EU exit strategy?

These are some of the main differences between the EU's enlargement to Central Europe of the last decade and its approaches to the Western Balkans. It contrasts stated goals and their implementation. No wonder 'europeanization' looks different when seen from Brussels or from the countries at the receiving end. This is also where enlargement fatigue within the EU meets "accession fatigue" in the Balkans. The latter has two faces: the political elites in the region sometimes using verbal commitments to EU accession as a smokescreen for politics as a business model. No less important is the erosion of popular support for EU accession (strongest where it is least advanced, in Albania; weakest where it is most advanced, in Croatia,) According to Gallup Balkan Monitor from November 2009 the majority of citizens in each of the candidates for joining the EU believes their country is "heading in the wrong direction". Hence the importance of checking such premature doubts about a process which has hardly started. This points to the limited effects of a "summit to commemorate a summit" (Sarajevo 2010 celebrates Zagreb 2000) and to the need for tangible measures the citizens can directly identify with Europe. Visa liberalization has obviously been the most important both sym-

bolically and politically. No less important: EY accession does not concern just governments and institutions and must involve societies concerned. Money spent by the EU on assistance to civil society actors is the best investment in the success of the process.

The agenda for the countries of the Western Balkans and for the EU seems clear enough. For the former it means to address the doubts raised about the rule of law after the accession of Romania and Bulgaria by tackling the question of corruption and clientelism by addressing its main sources: the legacies of war economy (getting around the embargoes through parallel networks), the privatization process and the use of public sector employment for patronage and state capture. The debates about the inclusion of Romania and Bulgaria into the EU will impact on the perception of the Western Balkans. And so will no doubt the current Greek financial crisis. The fact that the first Balkan country to join the EU and main beneficiary of its regional funds for thirty years has now been shown to have cheated on its accounts, debt, tax collection is not going to help

to establish trust in other countries in the region. This may be unfair, but mutual trust is key factor if the enlargement process is to have a future.

For the EU the Balkans require a rethink in its concept of enlargement which cannot, for reasons mentioned, be simply the replica of the pattern successfully implemented in Central Europe. The EU should strengthen the regional approach by giving all countries of the region the candidate status and a date to open negotiations. The pace and completion of the process will then depend on the capacity to deliver by the political elites of each country thus making the respective responsibilities clear with the political risks and costs of failure more palatable. Such a tangible and assertive European commitment to the Balkans is all the more important as it appears to be today the only plausible prospect for EU enlargement. It would also be the best way for the EU to downplay its divisions (Kosovo), overcome its hesitations between containment and integration, and restore its credibility in the region and as an international actor.

"Is the EU strategy the most adapted strategy to the Balkan region?"

Eduard Kukan

Member of the Foreign Relations Committee of the European Parliament from Slovakia, President of the Delegation for relations with Albania, Bosnia and Herzegovina, Serbia, Montenegro and Kosovo

The EU's main objective for the region of the South East Europe has for a long period of time been to create a situation when the region is stable and the new military conflicts are unthinkable. I hope this phase is already behind us. The next step is to expand to the region the area of stability, economic prosperity and freedom. The Western Balkan countries have all been given the prospect of EU membership. Not only them, but the EU members as well should be constantly aware of this and should behave in a responsible way in this respect.

My answer to the question whether it is the most adapted strategy for the region is yes. Let me recall that so far, the EU enlargement policy has been marked one of the most successful policies of the Union. Association to membership is also the right formula.

1) Using lessons from the previous enlargements.

Strength: The lessons learned from the previous enlargements have potential to improve the quality of the next enlargement process. The EU has been more deeply familiarized with the process and therefore has a better chance to tackle fundamental problems at an early stage and it is better prepared to deal with these issues generally. Examples of the lessons from previous rounds of enlargement: Slovak - Hungarian bilateral problems during the accession negotiations showed, that EU should insist more strongly on the principle, that countries should resolve their bilateral issues before the accession. The accession of Bulgaria and Romania shows that for EU it is categorically important to insist, that new member states implement fully all the criteria. Any kind of political considerations concerning the

assistance for those countries should be put aside.

Weakness: It needs to be taken into consideration that each enlargement and each potential candidate for membership in the EU has its specific situation. The approach to the region should be based on its merits. For example in the case of Western Balkans EU should focus more on issues like strengthening the rule of law, good governance, judicial and administrative reform, prevention and fight against organised crime and corruption - which will be difficult to manage and implement in regions with different cultural background.

Opportunities: Using the experience from previous enlargements creates learning opportunity for the EU. At the same time, those countries of the region have a chance to be supported by the experience of the new EU member states - especially in the situation when people from these countries lead the enlargement process.

Threat: The countries of the Western Balkan region may not respond to the EU initiatives the same way it was in the previous enlargements.

2) EU should have a clear vision of enlargement process and after enlargement settlements.

Strength: With such vision it would be easier to manage the process and expectations from both sides - potential candidate countries and the EU itself. It should be noted that clear prospects of future EU membership remains the strongest driving force in the enlargement countries and the overall transformation of their societies to the

modern, European values way.

Weakness: The enlargement is a strong commitment from the EU. It should be backed by continuous support of the key EU actors. Otherwise it can harm the credibility and accountability of the whole Union.

Opportunities: The enlargement process creates opportunities for the Union to engage itself in broader strategic actions, playing the key role in the whole region.

Threat: The vision can be undermined in the future due to internal problems of the EU (for example the situation in Greece) or negative external circumstances.

3) The enlargement strategy should be based on the political and popular consensus from both sides - EU and the Western Balkans.

Strength: Policy, based on the broad consensus adds to the credibility of the process. It also helps to moderate possible deteriorations, such as for example short term political turns in some countries. It prepares the population of the region for the EU membership - implementing EU standards and values, mobilising governments for necessary reforms.

Weakness: Taking under consideration expected length of the process it might be difficult to keep high level of popular support to the enlargement over long period of time. Sometimes mixed messages can be sent from the EU to the people of the region.

Opportunities: The enlargement promises to foster development and stabilisation in the region. Among other things also by creating multiple opportunities for all forms of cooperation.

Threat: Although the EU integration is one of the least controversial issues in the Western Balkans, it is sometimes difficult to achieve real political consensus within some countries of the region.

4) European perspective should be based on

conditionality, tailored country strategies, regional cooperation and merit based approach. There are neither free rides nor any shortcuts to the Membership. Countries should accede when they are really ready, each based on its own merits.

Strength: Conditionality is the principle that makes the accession dependent on meeting EU standards. This aims to protect the integrity of the internal market and promote reforms in potential candidate countries. Tailored country strategies ensure that accession does not move at the pace of the slowest candidate. The promotion of regional cooperation recognizes that many of the challenges facing the Western Balkan state have a cross border dimensions.

Weakness: Coordination and the management of the process in the region: Lengthy process of adjustment to common EU standards could possibly bring a kind of "European fatigue " to some countries of the region.

Opportunities: For the enlargement countries the process means primarily one thing: consistent work on reforms and on their implementation. Whoever wants to come closer to the Union must be fully prepared to cope with the membership obligations and must deliver concrete results.

Threats: Leaders of the enlarging countries will be stuck with increasingly unpopular policies. Popular dissatisfaction could lead to growths of populism and extremism or seeking alternatives for the EU integration.

Concerning some more concrete and technical questions:

I think that for the future EU enlargement it is more practical and pragmatic to go by group of states, rather than by individual countries. It would save a lot of bureaucracy in the work of pertinent European institutions. This approach could create a healthy rivalry among the countries. On the other hand the principle "everybody should be evaluated according to his own merits"

would be more difficult and demanding to apply. Also some countries could feel that others are being treated more favourably.

Concerning the dates for future accession, I am convinced that dates are not the most important incentives for the candidate countries. They can

even prove to be counterproductive, if they are not kept by EU (several participants in this panel disagreed with this approach and stressed the positive aspects of setting the dates for the accession of the future EU members.)

Propositions :

1. Using lessons from the previous enlargements.

2. EU should have a clear vision of enlargement process and after enlargement settlements.

3. The enlargement strategy should be based on the political and popular consensus from both sides - EU and the Western Balkans.

4. European perspective should be based on conditionality, tailored country strategies, regional co-operation and merit based approach. There are neither free rides nor any shortcuts to the Membership. Countries should accede when they are really ready, each based on its own merits.

Western Balkans and the EU: where to go from here?

Momcilo Radulovic

MES, Secretary General, European Movement in Montenegro

Are we ready for the next step? Can we “jump” to the next level of relations between EU and the Western Balkans states? Can “enlargement fatigue” produce counter-effects for the fragile system of regional security? What should we do to improve present models and methodology of the European Integration instruments in order to speed up reform processes and further democratization of the WB countries?

To find an answer to these and other questions that are on the way of relations between EU and our region we have to “dig deeper” into the historic development of these relations and to search for new and original solutions or to accommodate some previous ideas and practices that have been already used during the Central and Eastern European Countries enlargement.

This namely because of the fact that the knowledge and experiences that EU acquired during the CEEC enlargement have been introduced and applied within the policy creation and implementation activities towards Western Balkans.

Taking in consideration this starting line, it is useful to have more retrospective look into the EU policy design and practical activities in moving of the Balkan countries closer to the joint European future.

Thus, having in mind all the experience with CEEC, as well as specific characteristics of the WBC, EU has started to define its policy in this region more intensively with the 1996 document “Common principles for future contractual relations with certain countries in South-Eastern Europe” (1).

Having in mind good experience in achieving bet-

ter results in transition of the CEEC through regional cooperation and overcoming of problems and other issues among neighbors in CEE, within this document the EU has started to develop similar regional approach towards WB. This regional approach “*should be directed primarily at those countries of the region for which European Community has not adopted directives for negotiation of association agreements (i.e. Albania and four of the five successor republics of former Yugoslavia).* Neighboring countries which so wish should be able to be associated in the cooperation by appropriate means” (2).

Readiness for cooperation with the neighbors became strict requirement for all future activities regarding accession, “indispensable condition for establishment of closer links with the EU”, but each of these countries will be treated individually regarding their commitments towards rule of law, respect for minorities and human rights and functioning market economy. Also, EU has announced regional approach in creation of the programs for financial aid.

Further in this document, a creation of “the strong mechanism” for encouraging of the active cooperation was announced, and in addition to this the strong emphasis was given to the fact that ex Yugoslavia republics which were involved in the war have an additional responsibility for implementation of peace agreements and “good neighborly” relations (3). In that moment, late 1996, there were very few contractual relations between Croatia, BiH and EU and none between FRY and EU.

The next document regarding the WB, defining further WBC-EU relations were the Conclusions of the General Affairs Council of 29 April 1997, es-

1) Report from the Commission to the Council and the Parliament COM (96) 476 final, Brussels, 02.10.1996

2) Ibid, page 1

3) Ibid, page 4

establishing “political and economic conditions to be fulfilled by these countries, as the basis for a coherent and transparent policy towards the development of bilateral relations in the field of trade, financial assistance and economic cooperation, as well as of contractual relations” (4).

The conditions as stipulated were: democratic principles; human rights and the rule of law; respect for and protection of minorities; market economy reforms; regional cooperation; and compliance with obligations under the Dayton and Erdut (peace) Agreements. These conditions were both general and specific, since three countries’ (FRY; BiH and Croatia) eligibility for PHARE or the negotiation of Cooperation Agreements, included *inter alia* cooperation with the International Criminal Tribunal on former Yugoslavia, and other internally related issues (Bosnian institutions and Dayton agreement, FRY-Kosovo and Croatia – Eastern Slavonia) (5).

In these terms, this document finally confirmed that regional cooperation became an official obligatory condition, as well as cooperation with ICTY. The “behavior” of the related countries has been estimated within Regular reports of the Commission on compliance with the conditions, which were submitted every six months to the Council and presented within Operational conclusions.

Finally, in 1999, Regional approach was replaced by more comprehensive, overall strategic document regarding the WBC-EU relations. The name of the new instrument was Stabilization and Association Process (SAP) and it contained “the offer to the five countries - in return for compliance with the relevant conditions - of a tailor-made category of contractual relations: Stabilization and Association Agreements (SAAs)”.

These agreements were offering “more advanced relationship” with EU, taking into account evolving situation of each country. It was planned for the SAAs to be “gradually introduced in light of the ability of each country to meet reciprocal, contractual obligations, as well as of its effective contribution to regional cooperation” (6).

Stabilization and Association process includes: SA Agreements; Autonomous Trade Measures and other economic and trade relations; economic, financial and budgetary assistance, PHARE and OBNOVA assistance, balance of payment support; assistance for democratization and civil society; humanitarian aid; cooperation in justice and home affairs and development of political dialogue (7).

It was emphasized that the success of the stabilization process will depend on the efforts made by each country to make full use of the support offered as well as on an effective combination of the various instruments listed above. With SAP, the WBC were offered clear European perspective and eventual membership and their progress will be measured for each country individually. In this way EU perspective has been placed in hands of WBC peoples and governments.

Meanwhile, Croatia and Serbia got rid of authoritarian regimes in 2000 and at the new WB-EU summit in Zagreb EU membership perspective was repeated. EU was clear with instructions within the Zagreb Declaration from 24 November 2000: “Democracy and regional reconciliation and cooperation on the one hand, and the rapprochement of each of these countries with the European Union on the other”.

In this document the WBC committed themselves to close regional cooperation and internal reforms in many areas: political dialogue, a regional free trade area, justice and home affairs (combating organized crime, corruption, money laundering, illegal immigration, trafficking, border controls, training of police officers and magistrates). EU repeated that it will continue to have individualized approach to each of these countries regarding economic and institutional reforms on the basis of the 29 April 1997 Council criteria (8).

Meanwhile, in December 2000, a new framework for assistance was launched for the WBC, named CARDS (Community Assistance to Reconstruction, Development and Stabilization) (9). The overall assistance provided to the WB region in the period 2000 to 2006 was 4,6 billion Euro, delivered

within the various in-country and cross-border projects related the institution-building, reconstruction, democratic stabilization, reconciliation and the return of refugees institutional and legislative development, democracy and the rule of law, human rights, civil society and the media, operation of a free market economy, sustainable economic and social development, including structural reform and promotion of regional cooperation

This financial instruments, as well as others was replaced by the new Instrument for Pre-accession Assistance for WBC (+Turkey) from 17 July 2006 (10), gathering all pre-accession instruments under one umbrella support into one single, focused instrument. IPA has five components: the transition assistance and institution building; cross-border cooperation; regional development; human resources development; and rural development. Candidate countries (Cro, Mac, Tur) can use funds from all five components while potential candidates (Mon, Ser, BiH) just from transition assistance and institution building. The total amount of IPA funds predicted to be distributed over the 2007-2013 is 11.468 million euro. We will not go deeper into analysis of the structure, but the very existence, the scope and range of assistance within CARDS, IPA and other financial instruments is suggesting the seriousness in approach, dispersed field of interventions, importance and efficiency of the EU assistance for the WBC.

Going back to the set of legal and political instruments and instructions, this framework was finalized at the EU – WB Thessalonica summit in 2003. The Thessalonica Agenda for the WB (11) underlined the essential position of the regional approach, but also stressed that principles of "own merits" and "catch up" will be applied. In addition a set of new instruments was introduced: a high-level multilateral EU-WB Forum (periodically meetings of the heads of state or government), as well as annual meetings of foreign and JHA ministers and "Joint SA Parliamentary Committees" .WB countries were promised introduction of the "diagonal cumulation of origin", as well as enhanced financial and institution building support.

In addition, European Partnerships were introduced, "inspired by the Accession Partnerships for candidate countries", and "adapted to the specificities of the SAP". They serve for identification of priorities for action and as a checklist for measuring of progress. They are tailor-made for each country and each WBC is obliged to draw up national plans for the implementation of the partnerships. SAP structures were predicted for monitoring of the progress in implementation of partnerships, while Commission's Annual Progress Reports, new instrument for monitoring, was predicted to overview entire scope of activities of each of the WBC (12).

Owing to these changes, but also to development and adjustment of existing instruments and models, process of EI of WBC has been intensified from the time of Thessalonica Summit until today, with generally speaking positive trends concerning entire process but also with different rate of success with different countries.

Nevertheless, disregarding the level of success in integration which, as we could see above, depends on the processes which are "in the hands of WBC peoples and governments", we can conclude that in previous years, and first off all because of the experiences in previous enlargement, EU has developed a number of frameworks, instruments, models, methods and procedures which are used to adjust WBC systems to its own values and functioning. In this manner EU actually directly influences in positive way processes of entire democratization of social and state institutions in WB countries.

Thus, actually, processes of democratization of WBC are taking place along with the process of EI through number of interventions used through models built on principle of conditionality. Principle of conditionality for WB countries developed new dimensions in time (in comparison to CEEC), so these interventions are used at the same time on the level of internal economic and political systems and on the level of comprehensive regional co-operation.

7) *Ibid*

8) Zagreb Summit Final Declaration, 24 November 2000. see at <http://ec.europa.eu/enlargement/>

9) Council Regulation (EC) No 2666/2000, 5 December 2000

10) Council regulation (EC) No 1085/2006, 17 July 2006. IPA is replacement for the PHARE, ISPA, SAPARD, the Turkish pre-accession instrument and CARDS

11) Council Conclusions on Western Balkans, 16 June 2003, see at <http://ec.europa.eu/enlargement/>

Having in mind this wide scope of interventions, it is easy to see the importance of the EU perspective for the WB countries, but to discover the importance of the WB region for the EU we should go more towards establishing of EU as an important structure for developing of the new models in shaping of international relations.

This was more closely defined by Mr. Bernard Kouchner who underlined that *"the European Union's foreign policy was born in the Balkans" and that "it must not fail in the Balkans"* (13).

This might be the answer to the question what the WB means to the European Union (at this moment but also at long-term perspective) but also it should be the guide for EU structures for future planning and projections about the future of the region. In fact, it might be said that in this moment WB represents a huge test for the CFSP and for the power of already notorious »soft power« principle understood as "ability to get what you want through attraction rather than coercion and payment, arising from the appeal of your culture, political ideals and policies" (14)

On the other side, for the WB and their citizens the road to the EU means the test of social and political maturity, challenge and test of their institutions, but it also represents a raw-model for the entire future social, political and economic development on long-term basis. The WB's strive for EU membership is actually a generator of major part of economic and political changes as an overall process of social democratization.

These democratization processes of the WBC evolve through two dimensions: internal, that covers top-down and bottom-up initiatives, which come from public or private structures, and regional that involves external (other countries of the region or some global international factor) or internal initiatives (coming from inside, but pitched through regional structures i.e. regional initiative) that have a reflective impact on internal systems.

However, regardless of whether they are internal or external in nature, all democratization proc-

esses in the WBC correspond with processes of European integration that also evolves through two dimensions:

- by means of direct effect on internal systems via principle of conditionality in relation to meeting membership criteria, and

- by means of processes of regional cooperation that evolve through strategic framework of the Regional approach to integration of the WBC.

Regarding the regional cooperation, intention of the EU was to provide for sustainable stability and peace in the region and this was not possible without mutual consent and cooperation between the WB countries themselves. Creating of the regional approach as a corner stone for the SAP was a profitable strategy since this kind of initial pressure provoked significant changes at the overall political and economic scene of the WB.

Usually politically passive and dependent on external pressure (15), some of the WBC countries were more "unwilling partners" in the beginning, while now most of them are showing great interest in all aspects of mutual cooperation, and in addition to this, the new impetus for cooperation was offered through the creation of RCC which is already a regionally-owned initiative. In line with this, we have numerous strategic and other documents that are predicting a unique regional framework and set of common standards and despite that we also have very similar standards for each respective WBC that are defined in compliance with the priorities for country concerned.

This is caused by the facts of different intensity of the democratization process in different countries of the WB, and this doesn't solely depend on the EU, but also on very internal social, political and economic circumstances of the countries that are about to associate in the EU, of their citizens, particularly of social and political elites.

What we have seen when the WBC's political elites are concerned is a wide range of pertinent ideological frameworks, behaviors, goals and methods of action, in relation to the EU but also

in relation to their own citizens. For the sake of a brief overview and classification of the elites thereof, we use the criterion subsumed within the following question: “how well they translate the preferences of society for EU membership into appropriate domestic and foreign policy” (16).

Eventually, we came up with the spectrum which on one side has the development of elites such as those in Croatia with dominating nationalistic background replaced with reformed ideological framework that to the largest degree follows the EU integration requirements. On the other side there are partially changed Serbian elites that fully or partially use old nationalistic ideological framework and regressive processes of enlivening nationalistic projections. Nevertheless, Serbian political leadership is recently showing certain improvements regarding regional cooperation (except Kosovo), especially in positions towards Croatia and Bosnia and Herzegovina, while Serbian positioning towards Montenegro is still burdened with paternalism of previous times. Even though Bosnian political leaders are still more problem than solution for the state and institution building process in this country, the European perspective is one of the strongest cohesion elements for the people of BiH and the future of this state in general.

Special position here is held by political and social elites in Montenegro who have extremely strong “rent-seeking” tendency and who succeed by skilled political maneuvers in internal and international forums to circumvent any stronger reforms, but somehow they at the same time manage to maintain progress in field of European and Euro-Atlantic integration. This is primarily based on excellent regional and wider international communication and positioning where Montenegrin political were facilitating processes of regional cooperation and European integration both formally and unofficially.

In general, an impression in relation to the elites is that there is a large scope for social and political intervention and further pressure from the side of EU stakeholders for the sake of deeper democratic changes.

This should be exercised through the higher degree of cooperation of EU structures with other segments of society (particularly NGOs and media) and it should produce additional volume of pressure on elites with the view to further intensifying of the reforms.

This is also important for the sake of additional reinforcement of democratic processes since in these fragile democracies the prospects of irreversible processes of enlivening nationalistic and isolationist tendencies are still valid.

Professor Wiktor Osiatynski (17), indicates to this role of civil society and to indispensability of the assistance of EU structures in that and argues that the accession period has to be used for creating strong institutions and mounting pressure of civil society towards further democratization of social models but also of ourselves because once the countries integrate into the EU there will be not so many motives and scope for that and even then some irreversible processes can take place and he illustrates it with the example of Poland.

On the other side, enhanced approach in EU conditionality towards the WBC and questions of their democratization is marked with greater degree of adaptability to new challenges and requirements of the enlargement process and gives rise to thinking about new models and institutions within the conditionality process.

Before that the WB countries remain with models estimated within the SAP and guarantees for their strict application in dual approach in democratization, in internal and regional sphere that will lead the WB countries faster and better to new stages of European integrations.

If strictly and regularly respected, EU Integration instruments along with the conditionality principle and individual merit base approach can speed up and strengthen internal democratic processes and this will decrease the possibility for political elites to manipulate and devaluate democratic reforms within the country.

15) Graham Avery and Judy Batt, “Balkans in Europe: why, when and how?”, Policy Brief, European Policy Centre, Brussels, March 2007

16) Milada Anna Vachudova, “The Leverage of International Institutions on Democratizing States: Eastern Europe and the European Union”, EU Working papers, RSC No. 2001/33

17) Interview with professor Wiktor Osiatynski for the purpose of this work, Podgorica, September 2007

This represents a significant argument for a claim that Conditionality system has to be in place and even improved and made even more strict. European Union structures have to search and develop existing and new models and methodology of the conditionality and the individual merit base system.

Nevertheless, parallel to strengthening of the conditions EU has to increase its assistance, as well as pressure on political elites in WB countries, as a part of entire process of guidance in implementation of required standards and values.

Opposite to that, if “enlargement fatigue” continues to be a constant excuse for the EU political elites to further delay accession of the WB countries, we might meet a new level of political and social stagnation and consequential destabilizations that might lead to increase of tensions both within the region and between the region and the EU Member States. The example of Macedonia, it’s internal and external political and economic vacuum and a constant five years delay in opening of negotiations should be warning for EU decision makers while planning the new enlargement perspective for the WB region.

But, each story has two sides and we have to look for understanding both of the position of the EU political leaders as well as certain parts of regional political elites who are showing impatience because their higher dedication to the European integration processes. It is very obvious that they will have to search for joint intervention towards different actors both in EU and the WB countries in order to fight European “enlargement fatigue” and local Balkan “enlargement depression” that comes as a consequence of different delays within the European integration processes.

Having that in mind it would be recommendable if concrete joint initiatives in the field of communication and promotion are created in order to bring closer to the citizens of the Western Balkans countries what is the nature and the content of the Conditionality system and what are exact requirements that our countries have to fulfill. In addition to that our citizens should be closely in-

troduced with all positive results and effects of the present and following process of European integration, including benefits for the economy, regional cooperation, free travel, communication, education, fight against organized crime and corruption and all other relevant fields that are improving living standards for the citizens of the WB region.

In parallel, WB citizens should be more closely introduced with eventual negative aspects of the integration process in order to decrease unrealistic high expectations regarding EU integration that are already present within the significant part of the population of the WB countries. This should be primarily introduced through different levels of education processes, within the separate or integrated education programmes.

In the same time, EU citizens should be also more introduced with the more substantial and exact information regarding Western Balkans enlargement processes. In order to explain differences between Romania and Bulgaria on one side and the WB accession on the other, as well as to decrease the level of prejudices regarding the region, societies and their citizens, different media, education and information campaigns should be started in order to bring the region, its citizens and their needs closer to the EU voters.

In addition, the question of corresponding elites should be questioned in order to avoid stereotype approach in which only political elites are reliable partners for concrete and more substantial activities or planning. It would be profitable if different civic society structures get a direct access to different EU institutions in order to speed up exchange of information, to increase regional participation in planning and decision making process related to WB issues, as well as to strengthen capacities of the civic society to increase the pressure on local WB governments in order to facilitate democratization processes.

Both of these actions would be an introduction and stimulation for additional acceleration of the WB enlargement process which should be continued within the system of the clear benchmarks

that are attached to a clear and precise time-framework for all the countries of the region.

All their respective effort and achievements should be evaluated based on individual merit based approach, as stipulated in all EU documents that are treating the WB issues. This is to underline that all the activities that were looking the WB region and country achievements within the bigger and joint regional picture had a contra-productive effects on the speed and the quality of the European integration processes in most of the countries of the region.

Nevertheless, from this perspective, it seems that there will be “no further enlargement with a large group of countries at the same time in view” (18). Also, full membership of WB countries

will have to wait for a number of EU internal reforms regarding the new version of constitutional framework and related “absorption capacity”.

However, the EU is expected to solve its own problems in foreseeable time and to enhance the EU integration processes in this region, as well as to continue helping further democratization and overall progress of the Western Balkans.

Having these circumstances in mind, but also having in mind the very need of our society to make deep changes, we are forced to think that even without reflecting on when, why and how we will become a member of the EU we need to persist in brokering change in our societies, because changes are what we need ourselves actually.

18) Comm. From the Commission, 2005 enlargement strategy paper, COM (2005) 561 final, Brussels, 9.11.2005

The clock is ticking – for the Western Balkan and the European Union

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Back in the beginning of the 1990s when Yugoslavia was collapsing, the Member States of today's European Union were not able to deliver a common regional policy, which would put a stop to bloody wars. The Europeans took over the responsibility of the region progressively from the Americans who moved on to the other "hot spots" of the globe. Our goal is to build stability and prosperity in the region which is to join the Union, but we must always remember that when we say "the region" we are talking about people living there. And, we should bear in mind that after the break up of Yugoslavia, after cruel wars that left very deep wounds and hundreds of thousands of refugees and migrants who fled the region, we are witnesses to the growth of a young generation which is cut off from the unifying and prosperous Union surrounding the region. The young people in the Western Balkans usually only travel within (and sometimes between) their divided countries and are hardly ever able to enter the EU. The youngsters there know as much about Europeans as they do about Americans - mostly from the internet and TV. The EU, which is supposed to become their Union, which pushes their administrations to reform, which wants them to believe that we are one European family, is still something abstract. While our Union strongly advocates the freedom of movement we observe that people in the region enjoy less rights to travel freely today than during the times of the former Yugoslavia. Only recently in last December we abolished visas for the citizens of the Former Yugoslav Republic of Macedonia, Serbia and Montenegro and today 20 years after the fall of Berlin wall we still witness "visa walls" between our Union and people in Bosnia and Herzegovina, Albania and Kosovo.

There is growing skepticism in Europe towards the further enlargement to the South East Europe. In times of financial and economic crises, which affects millions of people all over Europe, where many are afraid how they will survive tomorrow, it's becoming more and more difficult to defend the "enlargement project." But remember 50 years ago – if the countries on the ruins of the second world war wouldn't unite in their efforts to shape their common future based on solidarity and democracy, we could've been today much more vulnerable and weak. Our economies wouldn't grow as fast as they did, our development wouldn't be that fast and we would today not be the serious player in the world stage. Bringing the countries of the Western Balkan to EU will benefit both the EU and the countries of the region, which will have to reform and establish the efficient democracies based on the European values of peace and solidarity. The enlargement of the EU to the Western Balkan is especially important for the younger generation. They are those who have the chance to overcome the differences from the past and look to our common future. We have to bear in mind that enlargement means both people to people contact as well as new opportunities for young generations, who have suffered the wounds of the wars and losses of their families, friends. They need this opportunity to be part of EU more than ever.

During the past few months I have had the opportunity to travel a lot in the Western Balkans. I met numerous representatives of the highest political circles, businessmen, representatives of NGOs and of the civil society. People were telling me their tragic life stories and all our conversations began with "When we will be able finally freely travel to the EU, when will the EU abolish

visas?" Their questions were justified. These are people who are humiliated waiting hours in front of the consulates to get visa to visit their relatives or friends not even few hundred kilometers away. We are talking about people in Bosnia and Herzegovina and Albania and Kosovo, who don't have money, not politicians or businessmen but average people or students. I believe that many are still suffering from injustice and are often victim of their political elite. The EU should not delay the removal of the last visa walls in the Western Balkan. It should have the political courage and will to bring this process to the end as soon as possible. Every month counts and the further delay could seriously cause even greater frustration and deeper division in the region.

Do we really want to keep the door shut to our close neighbors, to the countries, which have experienced wars and the fight against poverty and which do their best to please us? We are not deciding about granting jobs or residential rights, we are deciding about the basic right of a future EU citizen to travel to the Union. Bosnia and Herzegovina and Albania have made much progress since the European Commission decided they do not qualify for visa liberalization in July 2009. Though the judgment of the Commission was correct we all knew that purely technical decisions can have a very strong political impact. By prizing only some nations there is always a risk of destabilizing the region and cutting the political and ethnical puzzles into even smaller pieces.

"It's too good to be true," one of my MEP colleagues said recently at the presentation delivered in Brussels by Albanian Interior Minister Lulzim Basha on Albania's readiness for visa liberalization. Is Albania really mature or will it close its door to Europe due to the latest political crises? Let's hope that responsible politicians on both sides will find a solution to finish a political deadlock. Albania is at a crucial phase in its negotiations toward the EU. The whole enlargement process could be put on hold if the situation gets out of control again.

What are the outlooks for Bosnia and Herzegovina, which has found itself in an even more isolated position since the visa walls fell in Serbia,

Montenegro and Macedonia in December last year? There are constitutional changes needed and the country needs to find its way to get on its own feet. The pre-election campaign for the October parliamentary elections has kicked off and will reach its peak in the summer months when the timetable for visa liberalization is to be known at the latest. Numerous politicians are already exploiting the process of visa liberalization for scoring their political points.

And who is actually thinking about the people? Let's forget political games and the fight for power. During the past few months, both Bosnia and Herzegovina and Albania made good progress in fulfilling the technical conditions for visa liberalization. In the last few months they have finally achieved what they could have done perhaps a year ago. Obviously the European carrot and open door policy or the self-interest of domestic politicians have proven to be efficient - visa removal is after all the most tangible asset Europe can offer to the people.

Anyhow, the decision is important for the people and it is the people who will decide about their future. Visa liberalization is of special importance for young people, for future generations and for those who do not have enough money to buy the ticket to the West. The freedom of movement is the fundamental freedom of every European citizen. How can people understand European values, if it is so difficult and constrained to travel only a few hundred kilometers away from home. The people deserve, more than ever before, encouraging news from Brussels since under the present tense political situation they are losing their trust in both domestic and European politics.

In the European Parliament we are constantly exerting pressure both on the local leaders and the European institutions to carry out their respective part of the task without delay, since by dividing the states into good and bad ones we risk creating even more division and instability in the region. We wanted to remove the visa regime already this summer and to find the appropriate solution for the citizens of Kosovo as

soon as possible. We can not afford having any blanks on the map of the West Balkans which sometimes seems like a mosaic in which only one wrong peace would change the picture completely. However, July has slipped away and there are various reasons for this. Some EU member states were put off by a wave of asylum seekers from Macedonia and Serbia, on which it was reported especially in Belgium and Swiss at the beginning of the year. Others were perhaps deterred due to bitter experiences from the past. Both countries will undergo another test in the summer as the EU decided to send new expert groups there to examine the situation. One may justifiably wonder who is losing credibility in this case – the responsible politicians in Bosnia and Herzegovina and Albania who claim to have done everything for the visa liberalization process, or the European Union who agreed last year that visa liberalization for the last two states of the West Balkans would be a priority issue on its agenda? It's true that the Union has been seriously damaged by the economic and financial crisis and there are more important topics on the European agenda than the new round of visa liberalization, which some would even prefer to postpone until Ukraine, Russia or even Turkey would be ready for it. But isn't that nevertheless absurd?

After the abolishment of visas for Bosnia and Herzegovina and Albania the serious concern remains to be Kosovo. It is the only part of the Western Balkans, which is completely left out of the visa liberalization process, not even a perspective of talks is envisaged. This is naturally caused by a division among the Member States towards recognizing its independence. While understanding the political complexity of the problem, the people of Kosovo should not be left in a black hole created by disagreements. I believe that the Parliament should put pressure on both the Commission and the Council to find a way to initiate the visa liberalization process while respecting Kos-

ovo's status under UNSCR 1244/99 and division between the Member States towards its declaration of independence. This is without prejudice to the status of Kosovo. It will push forward the necessary structural reforms.

We, the EU, have to take our political responsibility to carry out this process; this process of bringing the countries of the Western Balkan closer to Union. It is about people in our direct neighborhood, it is about people to people contact, the quality of their lives, closer contacts and better economical cooperation. If we really want to integrate all the countries of the Western Balkans in the Union, the younger generation, in particular, has to have a chance to travel, to learn about it. Staying behind closed doors for too long can only strengthen nationalism and deepen ethnical divisions, which, before the wars, were practically non-existent. The Union has too often lacked the common policy towards the region and making this concrete tangible step for the citizens will for sure have a great psychological effect in the minds of people.

There are not many EU member states that are seriously dealing with the politics towards the West Balkans; Slovenia is undoubtedly being one of them; the visa liberalisation process has been launched during its presidency to EU, the Western Balkans is a top priority in the foreign policy agenda and the country launched the regional cooperation process in Brdo in Slovenia few months ago.

I am convinced that we don't want to see that the Americans, who moved on to the other "hot spots" of the globe, taking a leading role in our neighbouring region once again.. The Western Balkan has to become a part of EU, only then we will be able to truly celebrate the reunification of our continent.

Foreign investments in the Western Balkans

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I - WB countries should change their economic growth models to overcome the financial crisis

In the period before the crisis, the countries of SEE enjoyed sustained, relatively high growth that ended in the second half of 2008. Economic activity was driven by strong domestic consumption, credit and wage growth. Sectors with highest contribution to growth were services, particularly financial intermediation, telecommunications, transport and trade. However, productive investment was not key driver of growth, tradable sector is weak while savings are low.

The crisis hit the SEE countries rather strongly, but still to lower extent than some other regions (e.g. Baltic States). The first country that was hit by the crisis was Croatia and was followed by Serbia and Montenegro. Manufacturing was the industrial sector mostly affected in the region. The crisis caused drop of overall economic activities in the region and was reflected in fall of GDP, lower inflow of FDI, budget deficits, high unemployment and increased public and external debts. However, apart of indebtedness the real issue is regional competitiveness and the question how to generate future growth for the region.

Greek debt crisis is warning signal what happens if reforms are not done on time, so it could help in creating consensus between the political elites and wider society on the necessity of that reforms are necessary. Furthermore, increased presence of international financial institutions (World Bank, IMF, EBRD, EIB and others) helps in providing needed liquidity. The light start of recovery might be expected in 2011 and it depends on the quality of reform programmes and their efficient implementation. The alternatives for the countries

of the region are to concentrate on risk reduction measures, restructuring of the public sector or search for regional investments.

Regional cooperation could contribute to economic recovery through synergy of participation in numerous coordinated regional initiatives and networks, as well as project oriented cooperation that generates new values. It leads to reducing market segmentation through developing joint policies (elimination of trade barriers in services, coordination of sectoral policies or even joint developing policies in some areas – e.g. industrial policy including specialisation through regional cooperation). Therefore joint capacity building in strengthening policy design is needed in the region.

Regional cooperation helped the countries to strengthen their trade exchange in the pre-crisis period. Namely, after signing the new CEFTA 2006 free trade agreement, intra-regional trade performance among SEE countries has improved and was particularly strong in 2008. The trade expansion had even led to a certain trade deepening and helped the countries to soften the first crisis impacts, but only for a short period.

However, the starting level of trade exchange was very low and exports of SEE countries are well below potential and needs of the countries. There is still limited trade flows in SEE region with poor export performance (low-skill based, natural resource-intensive exports, low competitiveness), therefore shift to more skill-intensive exports is needed. The structure of trade is still unfavourable: commodities continue to dominate and intra-industry trade remains low. The remaining tariffs and quotas, technical regulations and standards still represent important constraint and therefore

removing trade barriers, harmonization and international recognition of the quality of infrastructure in SEE is crucial for further enhancing regional trade. Better implementation and further deepening the CEFTA agreement would be necessary.

To increase competitiveness, the SEE countries need to move up the value chain, through differentiating through value-added services and innovation as well as by exploiting the region's proximity to the EU market. The major challenges are sector specific policies, human capital and innovation (1).

II - WB countries should undertake FDI friendly policies to attract more foreign investments

Foreign direct investments (FDI) played major role in the Western Balkan economies before the global crisis broke out. However, due to the impacts of the crisis the FDI-led growth strategy of SEE countries turned into a critical state. After a strong growth in the period of 2005-2007 (which was in 2006 doubled in comparison with previous year), the countries have experienced major decrease of FDI inflow. Among the key reasons is the fact that most of the WB economies are narrowly based while the FDI is market seeking; investors rarely set up export-oriented projects and therefore the countries of the region are not successful in becoming integral parts of international production networks like NMS (2). On the other hand, financial crisis caused slowdown of larger investment projects while only smaller efficiency-improving investments have chances to continue, as well as investment in energy sector.

Furthermore, the FDI drop has varied in intensity and level among the SEE countries, as it depends on several factors. These factors include openness of the economy to international trade, the level of public and private debt, the manoeuvring room for the fiscal policy, the share of foreign ownership over banking system, the exchange rate regime and political economy issues.

Policy answers designed to tackle the FDI inflow drop in region have to take into account two major variables. First one is the fact that the FDI flow in the WB is inherently connected with the dynamics of the world's and particularly EU's economic recovery. Second important element is the fact that WB countries have experienced relatively young and shallow financial sector combined with the prevailing foreign ownership in manufacturing and banking system. That implies that the remedies for the FDI drop include engagement of both regional states and major international subjects like EU and International Financial Institutions (IFIs). Also, upcoming Croatian EU membership would intensify relations between the EU and the region and pave the way for future EU accessions. Thus, foreign investors and companies would get a concrete proof that the EU perspective of the region starts to be accomplished. This would have a major role on the influx of FDI and business dynamics in the region.

FDI stimulated investment in SEE countries but it was not directed towards export oriented projects. It was mostly related to privatization process while greenfield investment was marginal. Structure and quality of investment did not stimulate rapid growth.

Regional cooperation could stimulate FDI inflow into SEE region having in mind the fact that geography matters for investors. However, investors still target SEE countries individually, and not entire region as one market. In policy development for attracting FDI in SEE it is important to offer foreign investors opportunity to serve „regional“ market (investing in one country with wider „access“ to the region); reduce market segmentation through deeper integration (e.g. regional cooperation in services); make preconditions to link foreign and domestic investors at regional level and reduce barriers (particularly in services), promote pro-business initiatives (low tax regime, effective deregulation). In conclusion, development of regional investment strategy is very much needed with clearly identified attractive areas and destinations for investment.

III – EU accession process requires accelerated reforms in WB countries

There is a strong support of political elites in the region for the EU accession and implementing market reforms. Reforms that should be implemented are defined in Copenhagen criteria and the framework of Stabilization and Association Process. In practical terms, signing and implementing the Stabilization and Accession Agreement for the countries of the region already means gradual adoption of the EU's economic regulatory environment and regulatory convergence in reforms. However, the speed and intensity of reforms is not adequate in all areas. Even the regional reform forerunner, like Croatia, is less successful in some areas (justice, public administration, competition policy, structural reforms).

On the other hand, the EU accession process, suffering of enlargement fatigue, has lost the momentum before and during the crisis and the EU does not seem to be the engine for growth and reforms in the region. There is a need to foster and speed up the EU accession process and strengthen the Stabilisation and Association Process (SAP) with new elements. It could be developed towards a *strengthened partnership* or *better association* between the EU and the region (which should not be understood as a substitute for the EU accession) that might foster more efficient implementation of reforms and EU accession. The delayed EU accession represents serious danger for the region.

Political elites of the region strongly support the EU perspectives of their countries while the support of citizens differs from country to country. The support for the EU accession is relatively low

in Croatia which is close to become the 28th EU member.

The real degree of convergence with the EU differs amongst countries. In 2007, the average *per capita* GDP of the region represented some 20% of the EU27 average but differences among countries are significant. The most advanced Croatia has about 8,400 Euro GDP per capita while the less developed Kosovo has only reached 1,600 euro per capita income (3).

EU accession perspective helped to retain confidence in SEE economies and the EU accession related reforms that are crucial for the recovery process. They include adopting EU laws as a part of *acquis communautaire* and developing related policies, support fiscal consolidation, tax system reforms, pension and health care system reforms, public administration and judiciary reform, and structural reforms. It is necessary to raise the competitiveness, strengthen competition policy, stimulate trade and investment and create better business climate. The experience of Croatia shows that key reforms efforts should be targeted to public administration, judiciary, pension, health and social system as well on the labour market. Fiscal reforms are particularly important as they have to release the untapped potential of the private sector, stimulate entrepreneurship and lower the labour costs. These reforms have to be successfully implemented in a coherent and embracing manner along the longer period of time. There are number of cross-cutting issues that all countries of the region are facing, such as rule of law, fight against corruption, organized crime, strengthening capacities in different areas and even bilateral disputes with neighbours. These issues should be more easily solved through joint efforts within regional cooperation.

3) European Commission (2009). The Western Balkans in Transition. European Economy. Occasional Papers 46, Brussels: DG for Economic and Financial Affairs.

Propositions :			
1. WB countries should change their economic growth models to overcome the financial crisis			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
<p>a. Crisis is opportunity in terms of rethinking the growth models for WB countries</p> <p>b. Crisis forced governments to develop wider recovery programmes</p> <p>c. Regional cooperation contributes to economic recovery (CEFTA)</p> <p>d. Investments in human potentials, R&D, ICT and innovation are recognized as preconditions for growth and competitiveness</p>	<p>a. Financial crisis deepened already existing structural problems of WB economies</p> <p>b. Slow structural reforms, growth based on internal consumption, high public spending, indebtedness, low exports, weak competitiveness</p> <p>c. Social pressures, rising poverty and corruption are obstacles for reforms</p> <p>d. Reindustrialization and raising competitiveness are long-term processes</p>	<p>a. Crisis might create consensus between political elites and wider society on need to implement reforms</p> <p>b. Greek debt crisis is warning signal showing what happens if reforms are not done on time</p> <p>c. Increased availability of EU pre-accession funds, support reforms</p> <p>d. Increased presence of IFIs (World Bank, IMF, EBRD, EIB) is helpful to reach needed liquidity</p>	<p>a. Weak recovery of EU and global economy</p> <p>b. Less available capital and FDI from external sources</p> <p>d. Significant risks and shocks are generated within the region</p> <p>c. Regional political instabilities (Kosovo, Bosnia) hinder economic development</p>
2. WB countries should undertake FDI friendly policies to attract more foreign investments			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
<p>a. FDI inflow had increasing trend to WB region before crisis</p> <p>b. Attracting FDI is ranked among top priorities of WB countries</p> <p>c. EU accession is raising credibility of region for investment</p> <p>d. Regional cooperation stimulates FDI inflow through developing possibility of wider „access“ to region</p>	<p>a. Lack of FDI friendly policies in WB at national and regional level</p> <p>b. FDI was not directed towards export oriented projects; mostly privatisation, greenfield investment marginal</p> <p>c. Structure and quality of investment did not stimulate rapid growth</p> <p>d. Relatively young and shallow financial sector and capital market</p> <p>e. WB are not successful in becoming integral part of international production networks</p>	<p>a. EU perspective strengthens inflow of FDI and business dynamics of WB</p> <p>b. Regional investment strategy stimulates investment in the region through offering foreign investors to serve “regional” market</p> <p>c. Reducing market segmentation through deeper integration</p> <p>d. Smaller efficiency-improving investments have chances to continue</p>	<p>a. Crisis changed dramatically external environment</p> <p>b. FDI inflow determined by dynamics of world/EU economic recovery: slowdown of larger investment projects</p> <p>c. Return to high growth rate of FDI inflow is hardly expected</p> <p>d. FDI to WB was mostly related to privatisation, lack of export-oriented projects</p> <p>e. Investors still target SEE countries individually, not entire region as one market</p>

3. EU accession process requires accelerated reforms in WB countries			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
<ul style="list-style-type: none"> a. EU membership is extremely strong motivation for reforms b. Strong support of local political elites for EU accession and market reforms c. Availability of institutional memory on EU accession related reforms to be shared d. Croatia's future membership is helpful for other WB countries 	<ul style="list-style-type: none"> a. Inefficient implementation of reforms – speed and intensity not adequate b. Degree of convergence with EU policies strongly differs over the region c. Low capacities of judiciary and public administration d. Low support of citizens for EU accession in some countries 	<ul style="list-style-type: none"> a. Copenhagen criteria and SAP define overall reform framework b. EU accession perspective helped to retain confidence in SEE economies c. EU accession strengthened "ownership" over regional cooperation d. Cross cutting issues are more easily dealt with through regional cooperation 	<ul style="list-style-type: none"> a. EU enlargement process has lost <i>momentum</i> due to <i>enlargement fatigue</i> and crisis b. Further delay in EU accession is serious danger for reforms and stability of region c. Potential impact of crisis on brain drain of young and skilled people

Economic Policy and Political Influence

Shpend Ahmeti

Director - Institute for Advanced Studies (GAP), Pristina

Balkans is in a state of transition. In the past years after the conflicts, all the countries of transition have started the process of reforms, following the examples of Central Europe, aimed at achieving political and economic transition which would eventually lead to strong democratic institutions and market economies. Eventually, these reforms would lead to higher quality of lives, standard of living and membership in the larger European Union family.

While the political transition is a topic of many debates, the focus of this short intervention will be on the process of economic transition, with a special focus on the political economy of economic policies and political influence. Key to the process of economic transition in post-communist countries was always marketization, which implied the reduction of state control in the economy, mostly through the process of privatization. It also implied creation of strong institutions that would ensure that the market economy functions as it should with competitive forces reducing economic efficiencies with pure forces of supply and demand determining the amounts supplied and amounts demanded. This would ensure that the political forces that lead the country are not in control of the economic assets of the country, thus providing a balance of powers in the society. According to many economic theories published on the topic of economic transition, it was always emphasized that one of the main factors of economic transition is the decentralization or diffusion of economic powers to as many agents as possible. Through the process of privatization, and with the flow of foreign direct investment (FDI), economic power is diffused into many companies (economic agents). When this happens, it becomes almost impossible for the government/

state to control the economy and all of these agents become agents of change. They fight for reforms in taxation, informal economy, competition and regulation of the markets etc. etc. In other words, if this does not happen, then it is very difficult for the country to undergo even the political transition because of vested interests of individuals, regardless of whether they come from politics or business.

Therefore, the question for this short intervention is whether economic power in our countries is still in the power of the few, who have very strong links or are themselves in politics, and whether changes can happen within such environments. Transition in the Balkans

In many countries in the Balkans, because of their small size, the number of agents was also small throughout the years. Foreign Direct Investment started to flow, however, in the past few years it dropped significantly because of the global financial crisis. The process of privatization diffused economic power, but also brought to the front a handful of strong economic players throughout the region. In this type of a situation and environment, the whole transition is threatened. As businesses have to fight for survival and politicians for elections, the tendency is to monopolize sectors, increase barriers, control economies. In a way, all the players accept their positions as given and a status quo is created. Without major shifts in some of the components of the environment, the question becomes where the transition will come from.

Add to this, the pessimistic predictions of a speedy integration of the Balkans into the EU, the whole process is threatened with even more delay.

If we assume that:

- i) the increasing number of economic agents is important;
- ii) due to the global financial crisis, FDI will not improve in the short term, and the current account deficit will not decrease in a significant way for most of the countries of the Western Balkans;
- iii) the prospect of European Integration will not shift immediately and will not improve from the current situation;
- iv) obstacles in the regional political cooperation will continue in the short term;

the following recommendations are made to promote regional economic cooperation, increase the attractiveness of the region for investments and reduce the barriers to doing business in the region.

Proposition 1 – *Foster economic regional cooperation, regardless of political difficulties between countries.*

To date, this type of cooperation has been pushed through the regional trade initiative, known as the CEFTA. CEFTA has replaced all bilateral trade agreements between the countries in the region. There are still problems in the implementation of CEFTA, the most notable being the political dispute over the independence of Kosovo. Since December 2008 Serbia and Bosnia do not accept the goods coming from Kosovo, since they do not recognize its independence.

Trade in the region has been increasing in the past years, and has to increase even more. The region needs to overcome economic differences, despite the political ones. Entry of businesses into new markets within the region has to be done for economic benefits and despite political obstacles, and monopolies created in these countries. Because of the global financial crisis capital and companies are choosing carefully where to invest. The whole region of the Western Balkans is an interesting market to invest in, but as a joint

market of 30 million people. Isolated countries with smaller markets are inherently less attractive for investors.

Countries in the region, supported by the international community should work together to: Improve the implementation of CEFTA, especially in overcoming the political difficulties in implementation;

Cooperate in regional initiatives to attract investments to the region, including joint investor conferences for Western Balkans – if these cannot be directly organized by governmental institutions, they can be done through non-governmental organizations.

Proposition 2 – *Harmonize regulatory functions and work towards joint regulators.*

Any bank that wants to operate in the whole region of the Balkans needs to apply for seven licenses, and not all of them have the same requirements. This is true for banks, insurance companies, and many other sectors. This breaks down a potentially very lucrative market of 30 million people into small markets each with their own regulations that make the whole market unattractive.

Harmonization of regulations for different sectors would be the first step in the right direction. This would bring some of the costs of doing business even lower in the region. There should be no political barriers in bringing together regulators in different sectors together in a more formal way. The goal of these meetings should be to bring down the costs of doing business in the whole region, both for domestic and international investors. This would also show to the international community that the region is capable of working together in technical issues that promote the welfare of the whole region. The Banking Sector could be the first one to start such initiatives, due to the high presence of the international actors in the scene. Such presence could give the push to overcome political differences and show how the big number of economic agents could be an agent of change.

Proposition 3 – *Through joint civil society, improve transparency in links between policy and primary businesses.*

In the process of political transition, transparency and flow of information is key. It is difficult to expect from the politicians and businesses to reveal some of the links that in the Balkans transcend across borders and countries. Therefore it is important that the civil society fights for transparency as much as possible and that this information is exchanged throughout the region.

Civil Society is the part of the society which is not crippled with political difficulties in communication. It alone does not have the power to push for the economic transition, but its role in supporting the transition is second to none. Joint regional initiatives for transparency could be a useful tool in exposing links between politics and business that do not promote competition, welfare and the development of society across the Balkans.

Propositions :			
1. Improve regional economic cooperation			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
a. Increases the number of economic agents across countries b. Presents the region as a joint market lucrative for investments c. Economic interests are promoted and used to overcome narrow political interests of countries d. Promotes the welfare of the whole Balkans	a. Political difficulties in the relations of the countries of the region	a. The European Integration process can be used as leverage by the international community and the countries in the region to promote more economic cooperation	a. The global financial crisis has pushed countries to more protection and less cooperation with the region
2. Promote harmonization of regulators across countries			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
a. Reduces the costs of doing business across countries b. Promotes Foreign Direct Investments c. Promotes regional cooperation on the road to European Integration	a. Could be unrealistic yet to expect such joint initiatives	a. Use the presence of international investors in large sectors to push for reforms (i.e. Banking)	a. Political obstacles b. Global financial crisis pushing for protection c. Pessimistic European perspective

3. Joint civil society initiatives to promote transparency and flow of information

<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
a. Exposes relations between politics and business which is not transparent b. Improves cooperation between the countries of western Balkans c. Promotes reforms	a. Weak strength of civil society to influence policy making	a. Civil society has better communication channels than official institutions	a. No financial support to organize such activities.

Can the CEFTA be effective without substantial national reform?

Mirjana Prljevic

International secretary general Association of NGOs of Southeastern Europe, CIVIS

Observing the CEFTA (Central European Free Trade Area) market from the aspect of an expert for strategic positioning, I have to note that it misses fully respect of three basic principles on strategic, in other words long-term, level. In order to have successfully positioned markets of the member countries, not only towards European union but wider, it is necessary to respect the strategic "3C rule": *cooperation + coordination + communication*. This is actually the basic ground for the propositions 1 and 2, which are explained in details further in the presentation.

Analyzing the book "Propositions for the new community of republics of former Yugoslavia" which is published in 1992 by the team of experts of the Peace and Crises Management Foundation, led by the Mr. Boris Vukobrat, president of the Foundation, it comes to a conclusion that without fundamental regionalization of the areas that have been already by nature imposed as regions, there won't be compactness that lead to long-term stability of all countries in the Western Balkans, and therefore to the creation of conditions to attraction of direct foreign investments. As a person who lives and works in European Union, this had inspired me to create a unique project for attraction of foreign investments while placing the best that the region could offer. Exactly this is presented in the proposition number 2. For now, most sensitive for this proposition and concrete activities in this field were showed by the Republic of Serbia and its Ministry for Economy and Regional Development. High representative from the above mentioned Ministry has initiated inclusion of the project *Geographic Informatics' Network* through the prism of *Serbia Business Network* in the program of more successful positioning of Serbian market towards attraction of direct for-

ign investments, primary in the field of IT, car industry, and electronic industry. By the end of this year, concrete results regarding the functioning of this unique database will be shown.

It is a fact that by these concrete propositions that are shown, a harmony and synergy of merge is achieved. A merge of economic powers of all enterprises, business chambers and business associations as well as government institutions in attraction of foreign investments but also in acquisition the preconditions for obtaining joint businesses abroad, which independently enterprises cannot implement. In this way, with constant appliance of coordination, communication and cooperation principles, I'm sure that it would lead to concretization of the CEFTA role towards the EU market but also strengthening of the regional cooperation within the agreement.

Concretely, CEFTA 2006 is multilateral free trade agreement which is implemented by the countries of Western Balkan and Moldova. This agreement has replaced the network of 32 bilateral free trade agreements which have been in past few years implemented in the region of Southeast Europe. It was said that CEFTA would provide the creation of common market for approx. 30 million citizens hence would contribute the larger foreign investments inflow in the region. The question is: Is it really the case?

Hitherto trade liberalization in industrial and agricultural products is accomplished and in the year of Serbian presidency (beginning from January 1st 2010) liberalization in the field of services is expected to start. An important challenge for the signing puts the provision of the agreement quoting that from May 1st 2010 the market

of public procurement will be opened and all companies even the public ones will be disabled by law to take actions which could withhold competition thus the protection of domestic producers will be no longer possible.

Although CEFTA Agreement obliges all parties to annul the existing barriers without introducing the new non custom barriers, they still exist. At the moment, each country has only one important partner within the region, which is not good. Mainly industrial goods is exporting with small added value, raw materials and half products, because the final products are not enough competitive or compatible with European or world standards. Thaw of the Interim Trade Agreement between Serbia and EU in January 2010 an accumulation of the background with the components from EU for all CEFTA parties is enabled, which is the base for the creation of competitive CEFTA product. The Proposition N° 1 is related to this.

Today we have declining of mutual trade exchange. If we take into account that at one of the latest meetings it was said that the flow of information would be of the vital importance for the resolution of the obstacles, as a Proposition N° 2 we present to you the "GIM Project – Geographic Informative Network". Only united we are stronger, not competitive but compatible – when our comparative advantages speak for us.

Conclusions from the Session:

According to the fruitful discussion at the Round table 3, firstly, Mr Maxime Bureau, *director of General Electric, department for Public Policy & Investment – Europe*, agreed that concerning

their own experience in the market of CEFTA, all countries need to improve their policy of public tendering and that GIN network can be a right way to better transparency and legacy of the regional business relations. Also, to be more attractive for the young people to stay in their countries and fight for the better economic situation and local entrepreneurship atmosphere. After him, Mr. Christophe Pavret de la Rochefordiere, Deputy Head of the *Unit of Economic affairs within the Candidate Countries and Western Balkans – Economic policy related to Enlargement of EU – DG ECFIN*, said that project of GIN can be interesting for the CEFTA secretariat as a unique project of e-strengthening of the economic forces in the region of Western Balkans.

In the name of the concrete proposal of dr Visnja Samardzija, *Head of the European Integration Department of the Institute for International relations from Zagreb*, of creation of Western Balkans - Regional Investment Strategy, this project is recommended by her as a potential concrete step for the better positioning of the region and could be incorporated in the future strategy. PhD Fikret Causevic, *member of the Governing Board of the Central bank of Bosnia & Herzegovina*, also recommend GIN as a supportable base for his own proposal: creation of euro-bonds for CEFTA market.

All participants at this Round table agreed that both proposals could be one day real, joint, and successful steps for the better positioning of the economic forces, inside and outside of the CEFTA countries. We recommend to the CEFTA member countries to implement particular and substantial national reforms to support mentioned.

Propositions :			
1. Annulment of the obstacles and problems in the field of economic cooperation within the CEFTA Agreement			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
a. It is confirmed that we are stronger when we act together b. Previous legacy from Ex-Yu is still in charge in some parts c. Balanced investment policy and creation of common investment market is important precondition for attraction of new ventures d. More liberal business and facilitation of trade in the region alongside with appreciation of the level of harmonization and transparency of regulations and procedures	a. Lack of internationally accepted accreditation and certification bodies b. Discordance of domestic standards and technical regulations with international standards c. The problem of certificate acceptance regarding the quality and phyto-sanitary, sanitary and veterinary documents d. Corruption	a. Sector bonding and creation of regional sector associations aiming to increase the usage and appliance of diagonal accumulation of the goods background b. Creation of the regional clusters c. Creation of the regional competitive product d. Faster accession to EU and WTO	a. Political disagreement regarding mutual economic issues but also potentials b. Lack of coordination between the Government and economy sector (specially in Serbia) c. Lack of transparency which leads to denial of FDI d. Smuggling of goods and connectedness of "black channels" in the region
2. Geographical Informatics' Network as an unique and very supportable software for the better positioning inside & outside of CEFTA market			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
a. Unique e-database that gives chance to all actors to present their best offer b. Maps that "speak" and "attract" capital of national diasporas and foreign investors c. Strengthening the regionalization and increase of the employment growth rate in the region: direct and indirect	a. Non-transparently presentation of economy and market potentials b. Insufficient support of bank and altogether financial sector to economy c. Fear of bonding with regard to consequences of the conflicts in nineties in the region and dissolution of SFRJ	a. Along with the rule 3C, <i>coordination – cooperation + communication</i> , to strength the economy with regard to governments b. "Voice of economy " should be heard further and to attract large investments easily c. Possibility of successful overcoming non-custom barriers	a. Large number of suspicious intermediaries which do not want to leave their positions b. Monopolies on the market that weak real market game in the field in SEE c. Withdrawal of the investors to other neighbor countries, members of EU that have better investment regulations and stability as a long-term support

What type of fiscal policy is needed to foster the economic development of the Balkans?

Fikret Causevic

PhD, Member of the Governing Board of the Central Bank of Bosnia and Herzegovina

The starting points for my short presentation on the fiscal policies in the region are the propositions of the Mundell-Fleming model and recommendations for economic policy making in 2009 suggested by Mr. Dominique Strauss-Khan.

The Mundell-Fleming model comprises three main points:

- In small open economies with liberalised financial markets, fiscal policy is practically the only active segment of economic policy;
- A small open economy with a fixed exchange rate can increase its national income (and GDP) by expansionary fiscal policy;
- A side effect of expansionary fiscal policy in a small open economy is to increase the trade and current account deficits, as well as foreign debt.

Let me also remind you that, in a speech at the Banco de España on 15 December 2008, Mr. Strauss-Kahn advocated demand management through expansionary fiscal policy in the following words:

"Another priority is to support aggregate demand, in the face of what now looks to be a dramatic fall in consumer demand. As often for the Fund, the solution to global economic problems is mostly fiscal but with a twist—it is fiscal expansion, not fiscal contraction that we need. And this has been advocated by the Fund as soon as last January in Davos." (1)

He also made clear his thoughts on how best to support aggregate demand:

"On how fiscal stimulus should be done, a key criterion is to maximize the multiplier effect of

different fiscal measures. Transfers to low-income households are important because they are most likely to face credit constraints and—relatedly—because they would be most likely to rise their spending. Some good examples would be greater provision of unemployment benefits, increased tax benefits for low-wage earners, and expansion of in-kind benefits covering basic needs such as food. ... Since the slowdown is expected to be long lasting, investment spending, which typically has a longer gestation period than many other measures, becomes a more appropriate policy tool in the current circumstances." (2)

It remains for us to consider whether fiscal policies that accord with these propositions can be implemented in the Western Balkans. The following questions are particularly relevant:

- Does the region need a fiscal stimulus?
- If it does, what type of fiscal stimulus does it need?
- How might such a fiscal stimulus be implemented?
- How should an effective fiscal policy be carried out and what might serve as the basis for a sustainable fiscal policy in the region?

In trying to answer these questions, I will go through the questions raised by the organising committee of this workshop, before concluding this text with two recommendations.

Compatibility of fiscal policies with EU conditions

Taking as our benchmark the Maastricht Treaty and the fiscal criteria it established (budget deficit – 3% of GDP; public debt – 60% of GDP), the

1) Dominique Strauss-Kahn, "The IMF and Its Future," December 15, 2008, The Banco de España (<http://www.imf.org/external/np/speeches/2008/121508.htm>).

2) Dominique Strauss-Kahn, *ibid.*

Western Balkan Countries (WBC) have performed relatively well over the last seven years:

- Almost all of the WBC, except Albania, have run budget deficits below the 3% threshold.
- More precisely, their deficits were between 0.3% and 1.8% in 2003, 2004, and 2008. During the period of 2005-2007 the countries of the region had a budget surplus of 0.4%.
- In 2009, the budget deficit averaged 4.1%, less than the average for Central Europe and the Baltic (5.4%).
- Public debt of the countries has ranged from 24% in Macedonia, 37% Serbia, 38% in Montenegro, 43% in Bosnia and Herzegovina, 48% in Croatia, and 55% in Albania (3).

Comparing the WBC data with that for EU and euro zone countries, we may conclude that fiscal discipline during the period of 2003-2009 was generally fairly good in the Western Balkan region. Rising budget deficits and public debts, in combination with the credit crunch and relatively large current account deficits, are, however, an important factor in making decisions on further steps.

Social and wage needs and fiscal policies

The structure of fiscal expenditures in the region continues to be informed by the circumstance that almost all the countries (except Albania) were directly or indirectly involved in the wars in former Yugoslavia: from 1991 to 1995 in Croatia and Bosnia and Herzegovina, and later in Serbia, Kosovo, Macedonia (1999-2001). The country in the region most affected by war was Bosnia and Herzegovina.

- The structure of their budgets shows how much of general government spending goes to social security (ranging from 33% in Croatia and 42% in Serbia to 55% in Bosnia and Herzegovina).
- Public administration accounts for another large slice of public spending, ranging from 15% to 22%. It is certainly too high in some countries and could be significantly reduced (especially in Bosnia and Herzegovina, but in Serbia as well). (4)

The need for coordination of fiscal and monetary policies

The monetary regimes in the region differ significantly. Albania has a floating regime, while Croatia and Serbia have managed floats, Bosnia and Herzegovina has adopted a currency board arrangement pegged to the euro, Macedonia has a *de facto* peg to the euro, and Montenegro and Kosovo have unilateral euroisation.

There are also different levels of exposure by the national currencies to external shocks. With a view to preparing for EU membership, it might be useful to coordinate exchange rate regimes in line with improving fiscal discipline, while also spurring growth through expansionary fiscal policy based on joint infrastructural projects supported by EU financial resources.

The role of the euro in the region

All the countries in the region have close links with euro-zone and other EU countries, both in trade and regarding other balance of payments transactions.

- Trade with the EU accounts for 83% of Albania exports of goods and services and 60% of imports;
- Bosnia and Herzegovina conducts some 60% of its trade with the EU, compared to 31% with neighbouring countries (Croatia 18% and Serbia 13%),
- Trade with the EU accounts for 60% of Croatia's exports and 65% of the country's imports;
- For Macedonia. 65% of export trade and 50% of import trade is with the EU;
- 72% of Serbia's trade is with the EU.

Thus, the euro plays an extremely important role in the economies of the region. External shocks to the region caused by the euro's decline against the US dollar are a consequence of the structure of foreign trade. All the countries are directly or indirectly linked to the euro-zone in their exports and imports. This means that they cannot take the opportunity to increase exports based on

price competitiveness due to their national currencies' falling exchange rates with the US dollar.

Foreign debt, GDP, and exports

The Western Balkan countries succeeded in significantly decreasing their external debt/exports of goods and services ratio (from 174% to 126%) between 2003 and 2008, which compares well to either the Central European or Baltic countries.

There are, however, significant differences in the Western Balkan region between the different countries' levels of foreign debts and their export performance compared to their external debt. At the end of 2008, Croatia had relatively the largest foreign debt (82% GDP), but it was Montenegro whose external debt was growing fastest, up 17.9% GDP in just two years (2006-2008). Of all the countries of the Western Balkans, it is Bosnia and Herzegovina that has made the greatest progress in reducing the ratio of its external debt to export capability, down from 183% to just 61%, which is twice as good as the regional average. It is worth noting that Slovenia's external debt significantly worsened compared to its export capability after it joined the EU and the euro-zone (the debt to exports ratio rose from 95% to 156% between 2003 and 2008).

Recommendations for the region

The data presented above show the results of fiscal policy management in the countries of the Western Balkans with regard to public and external debt. Due to the spill-over effects of the global financial and economic crisis (global recession), all the countries of the region saw their GDP decrease in 2009 except Albania. Average GDP per capita in the countries of the region reaches some 33% of the average EU GDP per capita. This data clearly shows that fiscal expansion based on an increase in investment in capital projects is a key factor capable of a countercyclical effect on the region's economies.

Fiscal expansion based on the issuance of government bonds is one instrument for getting out of recession. Given the declining household con-

sumption caused by the credit crunch in almost all the countries of the region and the decline in business investment (including foreign investment), an active fiscal policy has an important role to play in changing expectations and any anti-recessionary course of action.

Any government bonds issued by Western Balkan countries to finance infrastructural projects would likely require high interest rates. Given that high interest rates on government bonds, when fiscal revenues from tax collection are down, increase the risks of fiscal non-sustainability, the ratings of these bonds would have to be increased. This would depress the required return rate. My proposal, therefore, includes the following:

Recommendation N°1 – Issuing Euro-Balkan Bonds

These new financial products for the Western Balkans would be issued by the governments (ministries of finance) of the region's countries. They would be used primarily to finance infrastructural projects (e.g. energy and road infrastructure).

These Euro-Balkan Bonds would be covered by the guarantees of the EU Guarantee Fund for the Western Balkans. The amount of funds to be approved by the EU would depend on available resources. However, a total value of 15-20 billion EUR for the Fund over the following 7 to 10 years would provide an explicit basis for the primary goal of this Fund: a meaningful increase in the security level of investment in Euro-Balkan Bonds and, consequently, a reduction of the required interest rate.

Such Euro-Balkan Bonds would be issued by countries with common (cross-border) projects for the construction of energy facilities and road or railway infrastructure. Countries with such common projects would issue bonds denominated in their respective national currencies in quantities reflecting the extent of their participation in financing the common projects. Issuing such bonds and realizing such projects would help economically connect the region, gradually increase

employment, broaden fiscal capacity, and decrease the relative cost of financing. It would also significantly enhance the supply of sounder financial instruments on the financial markets of the Western Balkans. This would allow institutional and other investors in this part of Europe to manage and structure their portfolios more efficiently.

One argument against this recommendation is political in nature, namely the unwillingness of EU countries to support such a project or approve the funds which would be the basis for forming the EU Guarantee Fund for the Western Balkans. There might be opposition due to current problems following on the spread of the Greek crisis to the countries of the southern euro-zone and the increase in funds needed to support the value of the euro. Rejecting it could lead to political and economic losses that are much higher than the actual funds needed to allow such a Fund to begin operations, however. It is in the common interest of both the EU and the Western Balkans to increase economic cooperation and for the EU to pursue decisions that show that the Western Balkan countries are not "forgotten" - left alone to deal with the problems of recession.

Recommendation N°2 – Forming a Western Balkan Stock Exchange

The formation of a Western Balkans Stock Exchange is my second recommendation. National

capital markets in the Western Balkan area are insufficiently developed and in some cases additionally divided by administrative barriers (Bosnia and Herzegovina). It is necessary to increase the range of financial properties in order to attract investment in the region's stock exchanges.

Electronic connection of the Western Balkan stock exchanges and the dismantling of administrative barriers to cross transactions between Zagreb, Belgrade, Sarajevo, Podgorica, Pristina, Skopje, and Tirana would increase the prospects for cooperation within the region and the interest for joint projects. No spectacular results would be achieved in the short-term just by forming a joint financial market, but it would provide the basis for conducting transactions with lower costs and a significant increase in interest in investment in financial properties denominated in national currencies or euro-emissions.

The formation of a Western Balkans Stock Exchange (WBSE) is directly connected to the first recommendation - introducing Euro-Balkan Bonds. Issuing and trading in these bonds on a single stock exchange would promote realisation of the initial goal or Recommendation N°1. The reduced transaction costs and lower interest rates on such bonds would increase their price and liquidity, increasing the feasibility of the above mentioned goal - fiscal expansion with relatively low financial costs.

Propositions :			
1. Issuance of Euro-Balkan Bonds (EBB)			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
<ul style="list-style-type: none"> a. Reliable source of financing of infrastructural projects in the WB b. Lower interest rates of the WB bonds comparing to the "classical" local bonds c. Support of the EU through the Guaranty Fund 	<ul style="list-style-type: none"> a. Current political context of the region could undermine the proposal b. Current political situation in the EU could cause unwillingness of the member states to support the proposal 	<ul style="list-style-type: none"> a. Issuance of EBB could contribute to the creation of the regional single economic space b. Faster growth rates based on cooperation financed by cheaper financial sources c. Contribution to the development of domestic capital markets (broader and deeper capital markets) d. Fiscal sustainability based on cheaper resources 	<ul style="list-style-type: none"> a. Corruption b. Political instability c. Elections and ethnically based way of thinking about economic reforms
2. Balkan Stock Exchange (BSE)			
<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
<ul style="list-style-type: none"> a. Increase in the number of financial assets available for sale and portfolio management b. BSE would lead to better cooperation of regulators and supervisors c. Increase of interest of foreign investors to invest money in the larger capital market 	<ul style="list-style-type: none"> a. Current status of division of capital markets in the region b. Slow improvement of regulatory environment c. Spill-over effects of financial crisis from the EU and the USA to the region 	<ul style="list-style-type: none"> a. Significant increase of market capitalisation in the region b. Decrease of transaction costs for financial investors in the region c. Faster approach to the EU and connectivity with the EU financial market 	<ul style="list-style-type: none"> a. Political options in the WB countries against economic cooperation b. External shocks c. Current administrative barriers

Quelle place pour l'euro dans le développement économique des Balkans occidentaux ?

Michel Svetchine

Ancien Directeur Général de la Central Banking Authority of Kosovo (2005-2008) *

Candidats officiellement reconnus à l'Union européenne, ou ayant vocation à y adhérer, les États des Balkans occidentaux ont pour perspective, à terme, de rejoindre l'Eurosystème (2), pour autant qu'ils en respectent les conditions d'admission. Cependant, si ces pays ne sont pas encore parties prenantes aux mécanismes de la monnaie unique, l'euro joue déjà, de facto, un rôle important dans leurs économies. Aussi est-il permis de s'interroger sur les effets d'une « euroïisation » partielle de la zone.

a) L'euro tient déjà une place particulière dans la zone des Balkans occidentaux

- Deux pays utilisent l'euro, sans pour autant participer à l'Eurosystème: ce sont le Monténégro, à la suite d'un acte unilatéral, et le Kosovo, en vertu des décisions de la MINUK-UNMIK donnant initialement cours légal au deutschemark, puis, lors de l'instauration de la monnaie unique, à l'euro (2). A cet égard, il convient de remarquer que le statut accordé à la monnaie européenne au Kosovo est le fait d'une mission intérimaire d'administration des Nations Unies, mandatée par le Conseil de Sécurité (Cf. résolution N°1244).

- La monnaie de la Bosnie Herzégovine, le Konvertibilna Marka (KM), fait l'objet d'un mécanisme de strict « currency board » avec l'euro ; c'est-à-dire qu'il n'y a création de KM par la banque centrale qu'à la suite de la remise d'une quantité d'euros strictement égale au cours de change prédéfini entre l'euro et le KM (soit à peu près deux KM pour un euro).

- Les autres pays possèdent un dispositif d'arrimage plus ou moins serré avec l'euro : mé-

canisme serré en Croatie et en Macédoine (3), plus lâche et informel en Serbie et en Albanie.

- Tous les pays dans lesquels l'euro n'a pas cours légal, sont déjà, en pratique, plus ou moins « euroïsés », dans la mesure où bien des transactions s'effectuent dans la monnaie européenne, et que par ailleurs une large proportion des passifs bancaires (dépôts et emprunts interbancaires) est libellée en euros. D'après les informations recueillies (4), les taux d'euroïisation seraient de l'ordre de 80% en Croatie, et autour de 50% en Serbie, Macédoine, Bosnie et Albanie. L'euro s'est ainsi substitué au deutschemark, monnaie qui dans les dernières années d'existence de la Yougoslavie, servait déjà aux agents économiques de monnaie de règlement et de réserve.

b) Quelles sont les conséquences de cette euroïisation ?

1 - L'euroïisation totale ou partielle apporte de nombreux avantages : confiance dans la monnaie, donc moindre thésaurisation ou fuite des capitaux ; absence ou réduction du risque de change pour les investisseurs ; aisance des transferts. Il convient notamment de remarquer que les investisseurs peuvent tirer avantage d'une situation d'euroïisation de fait, dans la mesure où celle-ci réduit les risques de non transfert des profits réalisés en euros sur le marché local. De plus, l'usage de la monnaie européenne tend à favoriser un faible niveau d'inflation, ainsi que l'instauration de disciplines monétaires et budgétaires, puisque l'usage d'une monnaie tierce contrarie la mise en œuvre de politiques monétaires autonomes (cf. infra). Or, la stabilité monétaire et la confiance dans la monnaie paraissent essentielles dans des pays dont la population a du-

*) Les opinions exprimées dans le texte qui suit n'engagent que leur auteur.

1) L'Eurosystème comprend la Banque centrale européenne et les banques centrales des pays ayant adopté l'euro.

2) UNMIK Regulation N°1999/4 du 2 septembre 1999 ; Administrative Direction N° 1999/2 du 4 octobre 1999, et Administrative Direction N°2001/24 du 21 décembre 2001.

3) Depuis 2005 l'objectif de change est de 61 dinars macédonien pour un euro.

4) Par l'auteur, à l'occasion de ses fonctions à la Central Banking Authority of Kosovo

rement souffert de l'effondrement du dinar yougoslave.

2 - Néanmoins l'euroisation apporte également des contraintes.

Les banques centrales des pays euroisés ne participent pas à l'Eurosystème et ne peuvent créer de l'euro. Par conséquent, ces banques centrales, comme celles pratiquant un strict « currency board », n'exercent le cas échéant qu'une politique monétaire très indirecte, en agissant sur la structure du secteur bancaire au moyen d'outils prudentiels (action sur la solvabilité, sur la liquidité, sur la concurrence...) et non sur l'offre de monnaie centrale. Cela signifie, en pratique, que la banque centrale ne dispose pas d'instruments pour agir directement sur les taux et la liquidité bancaire. Enfin, les pouvoirs publics ne peuvent mener une politique de change, par exemple en laissant la monnaie nationale se déprécier afin de stimuler les exportations.

Parallèlement, les banques centrales des pays partiellement euroisés (Serbie, Croatie, Albanie, Macédoine) n'exercent qu'une politique monétaire partielle et sous des contraintes plus ou moins marquées.

En effet, ces banques centrales sont conduites à maintenir des taux d'intérêts en monnaie locale supérieurs à ceux en usage sur la monnaie européenne, afin de préserver le cours de change euro/monnaie locale. De plus, les banques centrales, faute le plus souvent de détenir d'importantes réserves en devises, ne disposent généralement pas des ressources suffisantes pour faire face à des besoins significatifs de liquidités en euros de la part de leurs banques commerciales. Par conséquent, celles des banques qui n'auraient pas accès aux marchés internationaux, courent le risque de se retrouver en situation doublement fragile à raison de leurs opérations libellées dans la monnaie européenne. En effet, elles sont d'une part exposées à un risque de crédit (non remboursement par l'emprunteur n'ayant pas de ressources en euros), et d'autre part à des risques de liquidité, de taux ou de transformation sur leurs passifs en euros.

En outre, faute de marge de manœuvre suffisante sur l'offre de monnaie, il existe un risque de contraction de la liquidité globale de l'économie, notamment dans les pays totalement euroisés ou pratiquant un strict currency board, phénomène qui tend à exercer une action récessive sur l'économie. Par ailleurs, dans les pays euroisés, les titulaires de balances en monnaie européenne sont tentés de placer leur épargne en titres étrangers libellés en euros (ou y sont même contraints s'il n'existe aucune émission locale comme tel est le cas au Kosovo). Jusqu'à présent, ce risque de contraction de la liquidité est demeuré contenu, notamment à raison de l'importance des transferts en monnaie européenne opérés par les travailleurs à l'étranger, et de l'abondance des liquidités en euros sur les marchés interbancaires.

L'euroisation procure par conséquent des atouts certains, en particulier pour attirer des investisseurs. Toutefois, il est permis de s'interroger sur la permanence, en longue période, des avantages d'une situation de forte euroisation pour ceux des pays des Balkans occidentaux dont l'économie connaît un différentiel de compétitivité marqué par rapport à la zone euro (Cf. infra).

c) Quelles sont les perspectives d'admission des pays des Balkans occidentaux dans l'eurozone ?

Rappelons tout d'abord que pour participer aux mécanismes de la monnaie unique, il faut être membre de l'Union européenne, ce qui n'est le cas d'aucun des pays des Balkans occidentaux. Néanmoins, ces pays se sont vu reconnaître en 2000 « une perspective européenne » (5), pour autant qu'ils remplissent les [critères d'adhésion](#). Cette perspective a été réaffirmée à plusieurs reprises (6). Ainsi, la Croatie (avril 2004) et la Macédoine (décembre 2005) ont-ils le statut officiel de « pays candidats à l'accession », tandis que trois autres (le Monténégro, l'Albanie et la Serbie) ont entamé une demande pour être reconnus comme candidats (le Monténégro a déposé sa candidature en décembre 2008, l'Albanie en avril 2009, enfin la Serbie en décembre 2009). La Bosnie Herzégovine et le Kosovo sont considérés comme candidats potentiels.

5) Le Conseil européen de Santa Maria Da Fiera (19-20 juin 2000) a reconnu que tous les pays des Balkans occidentaux étaient des candidats potentiels à l'adhésion à l'Union européenne, à condition de respecter les critères de Copenhague.
6) Cf. notamment le programme « Si.nergie pour l'Europe » de la présidence Slovène (janvier-juin 2008).

En principe, tout membre de l'Union doit adopter la monnaie unique (le Royaume Uni et le Danemark ont obtenu une dérogation bien qu'ils respectent les conditions d'admission). Néanmoins, la participation aux mécanismes de la monnaie unique nécessite le respect de conditions spécifiques, (les « critères de convergence ») en matière d'évolution des prix, de finances publiques, de taux de change et de taux d'intérêt à long terme. Actuellement, les pays des Balkans occidentaux ne respectent pas plusieurs de ces critères (notamment les taux d'intérêt à long terme sont au dessus de la norme).

d) L'euro-scepticisme nouvel obstacle à l'intégration des pays des Balkans occidentaux ?

S'il est encore trop tôt pour mesurer toutes les conséquences à long terme de la crise grecque, il est cependant possible d'avancer plusieurs observations, lesquelles, a priori, n'incitent pas à envisager une accélération de l'accès des pays balkaniques à la zone euro, même si, en toutes hypothèses, une telle perspective relève au mieux de la moyenne période. On peut en effet craindre que la crise encourage les deux phénomènes suivants : d'une part un sentiment de réserve à l'égard de pays dont la stabilisation et la transition ne semblent pas tout à fait achevées ; d'autre part une élévation des « spreads » sur les titres longs des pays candidats, du fait d'une réévaluation de l'échelle des risques par les marchés, ce qui contrarierait le respect des critères de convergence. Enfin, notons que la décision prise par le Monténégro et le Kosovo de donner cours légal à l'euro exigera des approches spécifiques.

Pourtant, le maintien du statu ne paraît pas souhaitable à long terme.

e) Les risques du statu quo à long terme

Dans des pays tels les Balkans occidentaux, où la productivité d'ensemble de l'économie est généralement inférieure à celle de la moyenne de la zone euro, et qui, de plus, ne possèdent pas d'avantages comparatifs marqués, le maintien sur longue période d'un lien fort avec l'euro, sans

tirer pour autant profit des bénéfices de l'appartenance à l'Eurozone, présente plusieurs risques.

Les arrimages (« pegs ») avec l'euro (ou l'usage de cette monnaie) contrarient les ajustements par le taux de change. Ces derniers doivent alors être reportés sur les politiques budgétaires et salariales, puisque les pouvoirs publics ne peuvent stimuler les exportations par la politique de change. Or les glissements de parité de change sont généralement plus indolores pour les agents économiques que les politiques de blocage des salaires nominaux. Notons également qu'en situation de pré adhésion les banques centrales locales peuvent être réticentes à utiliser le levier des taux de change car la stabilité de ces derniers constitue l'un des critères de convergence observé par l'UE.

Simultanément, les situations de double circulation de grande ampleur (euro et monnaie locale) tendent au maintien de taux d'intérêt élevés en monnaie locale (cf. supra) et, par conséquent, à de possibles effets d'éviction aux dépens des investissements dont la rentabilité n'est pas la plus forte, avec par conséquent des effets restrictifs sur les taux de croissance. Les doubles circulations introduisent également un risque de change pour les emprunteurs en euro, comme certains emprunteurs balkaniques l'ont récemment découvert à leurs dépens. Ces situations facilitent également la fuite rapide des capitaux en cas de crise.

Les doubles circulations génèrent enfin à long terme des distorsions de situations entre les citoyens ayant des ressources en devises et les autres.

Par là même, le maintien du statu quo monétaire actuel sur longue période semble de nature à compliquer le développement économique des Balkans occidentaux.

Comment tenter de desserrer les contraintes évoquées ci-dessus, tout en préservant la stabilité apportée par une euroisation plus ou moins étendue?

f) Quelques propositions

Les mesures administratives comme un strict contrôle des changes, et par conséquent une limitation des transferts en euros, génèrent souvent d'importants phénomènes de contournement. Sans rejeter de telles mesures a priori, notamment pour des périodes transitoires, force est de reconnaître que leur efficacité ne paraît pas optimale dans des pays connaissant déjà une situation étendue de double circulation comme les Balkans occidentaux, d'autant que les effets pervers des marchés parallèles n'est plus à démontrer.

En revanche, il semble possible de limiter certains risques liés à l'usage concomitant de l'euro et d'une monnaie locale.

Tout d'abord le superviseur bancaire, doit s'attacher à mesurer le risque de change supporté par les établissements de crédit et à le limiter au moyen de règles prudentielles, le cas échéant très strictes. Il en est de même pour le risque de liquidité en devises, quitte à imposer des dispositions particulières, notamment en matière de réserves obligatoires ou d'exigence de lignes de liquidité couvrant les différentes échéances.

De même, des limitations ou des contraintes supplémentaires (en termes de fonds propres, de réserves, d'exigences de liquidité) peuvent être appliquées aux prêts en devises, notamment à ceux accordés aux particuliers, afin d'éviter que des individus n'ayant pas de ressources en euros ne s'endettent dans cette monnaie uniquement

parce que les taux nominaux y sont plus faibles que dans la monnaie nationale.

Aussi pertinentes que puissent être les mesures décrites ci-dessus, elles ne sauraient, en longue période, gommer toutes les contraintes qu'imposerait aux États des Balkans occidentaux une situation récurrente de large euroïsation sans participation à l'Eurosystème. De fait, la crise grecque a notamment révélé à tous les difficultés qui pouvaient résulter de l'appartenance à une même zone monétaire de pays ayant des niveaux de productivité par trop différents, a fortiori si leurs politiques économiques divergent. Les contraintes seraient d'autant plus fortes si la parité de l'euro avec les principales devises mondiales se maintenait à un niveau élevé. Un euro « fort » ne semble pas, à long terme, favorable à un amarrage rapide à l'Union européenne des économies des pays des Balkans occidentaux, même si l'usage de l'euro apporte aux investisseurs étrangers et aux épargnants une garantie de sécurité monétaire.

Pour compenser les risques d'une large euroïsation et, au contraire, pour tirer avantage de la stabilité qui s'attache à une relation étroite avec la monnaie unique, il conviendrait d'accentuer les efforts déjà consentis par les institutions européennes pour améliorer les infrastructures économiques et politiques des pays des Balkans occidentaux et, de ce fait, permettre à ces derniers de réduire dans les meilleurs délais les écarts significatifs que connaissent leurs économies avec celles des pays de l'Union.

Honeymoons ou le mirage de l'Europe ?

Simon Rico

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Sorti le 23 décembre 2009 sur les écrans français, *Honeymoons*, est le dernier long-métrage du réalisateur serbe Goran Paskaljević. Il retrace le destin croisé de deux jeunes couples, l'un albanais et l'autre serbe, qui veulent rejoindre l'Union européenne. Marqué par le cinéma néo-réaliste italien, Paskaljević refuse de faire « de l'art pour l'art » et tient toujours à donner une dimension sociale à ses productions. Ainsi, il considère *Honeymoons* comme un « film d'amour engagé » (1), dans lequel il explore la question des frontières.

Au sein d'un espace marqué par une histoire récente chaotique - l'Albanie a vécu plus de 45 années d'un des régimes communistes les plus répressifs tandis que la Serbie a été partie prenante de tous les conflits liés à l'éclatement yougoslave -, et une conjoncture socio-économique déprimée, la jeunesse a une irrépressible tendance à lorgner vers l'Ouest. C'est sans doute la raison pour laquelle Goran Paskaljević a choisi de filmer le périple vers l'UE de deux couples qui verront finalement leurs rêves sacrifiés sur l'autel de la politique migratoire européenne.

Au-delà de ce que le spectateur peut voir à l'écran, *Honeymoons* est aussi le révélateur du nouveau paradigme qui prévaut dans les Balkans. S'ils se sont regardés en chien de faïence pendant de longues années, les pays de la région entament depuis quelques temps une politique de coopération, qu'illustre notamment cette première coproduction cinématographique serbo-albanaise.

Deux Républiques socialistes aux destins opposés

De 1946 à 1991, la République populaire d'Albanie, devenue socialiste en 1976, a vécu sous le joug d'un régime communiste extrêmement dur. Dirigé d'une main de fer par Enver Hoxha, le pays se rapproche de la Chine populaire en 1960 au détriment des Soviétiques. Sombtant dans la paranoïa, le Comité central fait édifier des milliers de bunkers pour protéger l'Albanie de toute invasion extérieure. Un dispositif qui constituait un excellent moyen d'intercepter les éventuels candidats au départ. Dans une dictature cadenassée, il est évidemment interdit de quitter le territoire et les Albanais devront attendre la chute du régime le 20 février 1991 pour sortir de leur isolement total. Assoiffés de liberté, vivant dans un pays exsangue, ils seront plusieurs centaines de milliers à fuir durant les années 1990, quels que soient les risques à prendre. On estime que 200.000 personnes sont parties dès 1991, mais l'année 1997 - marquée par la crise des « pyramides financières » (2) -, fut celle de l'exode le plus important avec environ 400.000 départs sur une population de trois millions d'habitants (3).

Chez le voisin « révisionniste » yougoslave, la situation est exactement inverse. Après avoir rompu en 1948 avec l'URSS de Staline et pris ses distances avec le bloc de l'Est, la Yougoslavie titiste s'est imposée comme l'une des figures de proue du mouvement des Non-alignés. À ce titre, elle occupait une place stratégique sur l'échiquier géopolitique de la Guerre froide, faisant le pont entre les deux blocs. Elle avait d'ailleurs signé des accords bilatéraux avec la plupart des pays européens, à l'exception notable de la Grèce et de

1. Écouter, Philippe Bertinchamps, « Goran Paskaljević : « Honeymoons, un film d'amour engagé » », *Balkanophonie*, Décembre 2009

2. Voir « Albanie : commission d'enquête sur les pyramides financières », *Le Courrier des Balkans*, Mai 2003

3. Voir Ben Andoni, « Albanie : les candidats au départ sont toujours aussi nombreux », *Le Courrier des Balkans*, Mars

l'Albanie (4). Les ressortissants yougoslaves bénéficiaient de cette situation et pouvaient voyager dans de nombreux pays du globe sans visa, contrairement à la plupart de leurs voisins d'Europe de l'Ouest. Preuve de cette ouverture : sur le marché des faux passeports, le plus cher était bien sûr le Suisse, mais en seconde position se trouvait le Yougoslave !

Petit à petit, une diaspora yougoslave s'est établie sur le territoire de nombreux pays aujourd'hui membres de l'Union européenne : France, Allemagne ou même Suède, le footballeur d'origine bosniaque Zlatan Ibrahimović en est l'exemple le plus célèbre. Avec l'implosion sanglante de la République fédérale socialiste de Yougoslavie, la situation s'est rapidement détériorée, et les frontières se sont refermées d'un coup. En 1995, ce qu'il restait de la Yougoslavie figurait même sur la première « liste noire » Schengen établie par l'UE.

Les « Balkans occidentaux », un nouveau concept régional

Il semblait loin le temps où, afin d'éviter qu'un conflit n'éclate entre les républiques constitutives, Bruxelles brandissait comme drapeau blanc la possibilité d'intégration rapide d'une Yougoslavie unie. C'est séparément que les pays issus de l'ancienne République fédérale tentent depuis de se rapprocher de l'UE, avec des fortunes diverses. Dans ce contexte est apparu le concept de « Balkans occidentaux » lors du Congrès de Thessalonique, le 21 juin 2003. Comme le note Jean-Arnault Dérens, il correspond à la formule algébrique alambiquée du « 6-1+1 » (5), désignant les six États successeurs de la Yougoslavie moins la Slovaquie, intégrée dès 2004, plus l'Albanie.

Voilà donc « géopolitiquement » réunis les deux couples d'*Honeymoons*. Serbie et Albanie voguent désormais dans la même galère vers l'Union, bien que leurs routes diffèrent quelque peu. Si l'Albanie est devenue membre de l'Otan au printemps 2009, au même moment que la Croatie, la Serbie hésite toujours à franchir ce cap, louvoyant entre réactivation du Mouvement des Non-alignés et

intégration européenne, elle qui n'a pas oublié les bombardements de 1999. Toutefois, les deux États en sont au même point dans leur processus d'adhésion : ils ont officiellement déposé leur candidature, mais les pourparlers n'ont débuté ni pour l'un ni pour l'autre. Tirana et Belgrade patientent dans l'antichambre de l'UE, leur intégration ne devant intervenir au plus tôt qu'à moyen terme.

Libéralisation des visas : oui à la Serbie, non à l'Albanie

Dans *Honeymoons*, Nik et Marko se heurtent aux mesures drastiques prises par les 27 afin de se prémunir d'une immigration non contrôlée. Si leurs passeports sont en règle, une coïncidence malchanceuse les rattrape : un attentat au Kosovo avec lequel il n'ont rien à voir. Sans ménagement, sans présomption d'innocence, sans recours à un avocat, ils sont placés en rétention. Le film s'achève sur cette note négative, laissant entendre que la porte de l'Europe restera longtemps encore fermée aux populations des Balkans.

Hasard du calendrier, c'est quelques jours à peine avant la sortie du film en France, le 19 décembre 2009, que Bruxelles a finalement autorisé les ressortissants serbes, macédoniens et monténégrins à voyager sans visa au sein de l'espace Schengen, pour une durée maximale de 90 jours consécutifs par tranche de six mois. Il leur est par contre impossible d'obtenir un contrat de travail. Marko pourra dorénavant se rendre à Vienne sans passer par le parcours du combattant que nécessitait toute demande de visa pour un Serbe. Sans pouvoir s'y établir librement pour autant.

Les Albanais, comme les Bosniens et les Kosovars, devront, eux, encore attendre. Et la libéralisation rapide du régime des visas semble peu probable à court terme pour les deux derniers cités étant donnés leurs statuts. Les institutions de Bosnie n'ont pas évolué d'un iota depuis les accords de Dayton qui ont mis fin à la guerre en décembre 1995. Le pays reste donc gouverné par un pouvoir tricéphale inopérant alors que la tutel-

4. Jusqu'en 1948, l'Albanie est en réalité un satellite yougoslave. À la suite de la rupture entre Tito et Staline, elle suit l'URSS et prend ses distances avec la RSFY. En 1960, lors de l'opposition sino-soviétique, Tirana prend le parti de la Chine populaire et rompt avec les « révisionnistes » de Moscou et de Belgrade.

5. Voir Jean-Arnault Dérens, « Interminables fiançailles entre Bruxelles et les Balkans », *Le Monde Diplomatique*, Novembre 2009

le du Haut Représentant qui devait prendre fin en 2006 prévaut encore aujourd'hui. Cela fait de longs mois que la Bosnie s'enfoncé dans une crise politique qui semble sans fin. Quant au Kosovo, la déclaration unilatérale d'indépendance du 17 février 2008 n'a réglé aucune question de fond. Cinq pays membres (Espagne, Grèce, Roumanie, Slovaquie et Chypre) ne la reconnaissent toujours pas, bloquant toute avancée notable de Pristina vers l'UE.

Localement, plusieurs voix se sont élevées clamant que ces trois États à majorité musulmane étaient victimes d'un front anti-Islam (6). Un argument fallacieux, sûrement, mais qui en dit long sur le ressenti de leurs populations : elles ont encore un peu plus le sentiment d'être mises au ban du continent européen. Officiellement, l'Albanie, la Bosnie-Herzégovine et le Kosovo ne remplassaient pas les conditions fixées par Bruxelles en termes de politique migratoire et de contrôle des frontières : passeports biométriques, signature de conventions de réadmission, construction de centres de rétention pour les migrants clandestins venant de pays tiers, etc. et ne pouvaient donc prétendre à bénéficier de cette avancée.

La marche de Tirana vers l'UE, l'une des priorités du Premier ministre Sali Berisha, s'avère aujourd'hui contrariée par la crise politique que traverse l'Albanie depuis près d'un an. L'opposition refuse de siéger au Parlement, contestant les résultats des législatives de juin 2009. Pour Bruxelles, qui voit d'un très mauvais œil ce blocage institutionnel, l'Albanie doit d'abord instaurer une vraie démocratie et améliorer l'efficacité de la lutte contre la corruption et le crime organisé avant d'aspirer sérieusement à devenir membre de l'Union.

Preuve (s'il en fallait) du désir d'Europe de Tirana, le ministre albanais de l'Intérieur rappelait publiquement la détermination de son pays à respecter les critères de l'UE dans le but d'obtenir la libéralisation des visas au moment même où cette mesure devenait effective en Serbie, en Macédoine et au Monténégro. Fin avril, le ministre italien des Affaires étrangères et ancien vice-président de la Commission européenne, Franco

Frattini, affirmait que la décision de libéraliser les visas Schengen concernant les citoyens albanais serait prise le 2 juin prochain lors de la conférence de Sarajevo qui réunira tous les pays des Balkans occidentaux. Toujours selon M. Frattini, elle devrait entrer en application dès l'automne. Rien n'indique cependant que ce calendrier sera respecté.

L'Union européenne, Eldorado des populations balkaniques

Au-delà de ces considérations techniques, la question reste de savoir pourquoi l'Union européenne dispose d'un tel pouvoir d'attractivité dans les Balkans ? Chômage, pauvreté, absence de perspectives d'avenir. Telles sont les principales raisons mises en avant par les jeunes balkaniques quand on leur demande ce qui les incite à vouloir tenter leur chance à l'Ouest. Rien que de très classique donc. Pourtant, la situation socio-économique a évolué ces dernières années dans la région. En Serbie comme au Monténégro, il était même redevenu possible de vivre de son travail, ce qui avait été impensable pendant presque deux décennies. Mais c'était avant que la crise financière, devenue progressivement une crise économique généralisée, ne vienne doucher les minces espoirs de normalisation.

Un sondage réalisé par l'institut Gallup International révélait récemment que plus de 30% des Balkaniques souhaitent émigrer vers l'Ouest pour y vivre mieux (7). Un chiffre qui atteste du peu d'espoir de ces populations en la capacité de leurs pays respectifs à aller de l'avant. Toujours selon cette enquête, leur principale perspective demeure l'adhésion à l'UE, que la plupart considèrent toujours comme la panacée, surtout en Albanie et au Kosovo. Tout au long des années 1990, l'émigration balkanique a été très forte. De nombreux Yougoslaves fuyaient les combats, tandis que les Albanais profitaient de la chute du Communisme pour s'en aller, souvent au péril de leur vie. Aujourd'hui, face à la politique migratoire ultra-répressive que mènent les pays membres, le flot de candidats à l'exil s'est quelque peu tari. Reste encore vivace le rêve de partir.

Dans un Kosovo où 60% de la population a moins de 25 ans et où l'on estime que le taux de chômage dépasse les 60%, il est aisé de comprendre que le départ en Occident demeure la seule porte de sortie. En 2003, 71% des étudiants bosniens se disaient prêts à quitter leur pays si l'occasion s'en présentait (8). Sept ans plus tard, la proportion serait certainement la même. Dans le Sandžak, une région déshéritée du Sud de la Serbie, ils pourraient être plus de 80% selon les chiffres d'ONG locales. À Belgrade ou en Voïvodine, cette tendance est moindre, du fait d'un plus grand dynamisme régional.

Sous la pression de leurs populations, les États des Balkans ont donc fait de la libéralisation des visas un de leurs principaux chevaux de bataille dans les négociations de pré-adhésion et de stabilisation. Ils estimaient qu'une telle mesure serait extrêmement populaire et favoriserait le sentiment pro-européen, une sorte de contrepoids aux réformes nécessaires en somme. Ainsi, l'UE a mis en vigueur le 1^{er} janvier 2008, le *Visa Facilitation Agreement* (VFA) qui facilite l'accès aux visas Schengen pour les catégories qui en ont le plus besoin. L'impact de cette mesure s'étant révélé quasi nul, les États ont alors réclamé l'abolition pure et simple du régime des visas. L'obtention de leurs revendications sur ce point a néanmoins l'allure d'un maigre lot de consolation avant une hypothétique intégration.

Face à la vague de demandeurs d'asile roms et albanais de Serbie et de Macédoine qu'a suscitée la suppression du régime des visas, l'Union européenne se veut désormais prudente. Bruxelles a même menacé un temps Belgrade et Skopje de faire machine arrière et d'imposer à nouveau ce régime. L'Albanie, qui, de surcroît, présente aux yeux des 27 un important risque d'émigration, pourrait faire les frais de cette situation. Encore faut-il résoudre la question des opinions publiques européennes, qui voient toujours dans les Balkans une terre où la criminalité organisée est reine...

Vers un marché commun balkanique ?

Condamnable à plus d'un titre, la lenteur du processus d'intégration des « Balkans occidentaux » a permis de favoriser le dialogue au sein d'un espace dont le morcellement avait eu la fâcheuse tendance à s'accélérer ces derniers temps. Sur le plan politique, les relations s'améliorent, même entre les ennemis d'hier, sans que les frictions aient totalement disparu. Idem pour les partenariats économiques, qui se multiplient.

Le concept de « Yougosphère » (9) mis en avant l'an dernier par le journaliste britannique Tim Judah témoigne de ce rapprochement régional. Fin novembre 2009, la réunion à Belgrade des dirigeants économiques de l'ancienne Yougoslavie sous le thème « Yougosphère : un projet futuriste ou utopique ? » a été l'occasion de constater que tous les participants partageaient la même conviction : le temps d'une nouvelle collaboration est arrivé. La crise a favorisé ce rapprochement, les États ayant constaté que la coopération s'imposait comme la meilleure arme pour l'affronter. *Honeymoons*, coproduction serbo-albanaise, s'inscrit dans ce processus.

Face aux réticences de Bruxelles à s'ouvrir aux Balkans, les pays de la région sont aujourd'hui tentés de mettre en place un marché commun à l'échelle régionale. Avec une perspective d'adhésion au mieux à moyen terme, les voix réclamant une plus grande intégration de l'espace balkanique se font chaque jour plus nombreuses. Reste à savoir si celle-ci peut se mettre en place parallèlement à l'adhésion à l'UE. L'Union réclamant des relations de bon voisinage comme préalable à l'intégration, on ne peut que voir d'un bon œil cette nouvelle donne diplomatique. Et pourquoi ne pas proposer, comme le faisait très sérieusement un barbier rencontré à Skopje, que l'Union européenne s'intègre à la Yougoslavie ! Pour cela, soyez aimable, rembobinez le film... de l'Histoire.

8. Voir « Bosnie : les jeunes tentés par l'exil », Le Courrier des Balkans, Février 2003

9. Voir Marco Abram, « Balkans : la Yougoslavie est morte, vive la « Yougosphère » ! », Le Courrier des Balkans, Janvier 2010

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Imprimé à Paris, France, juin 2010
Droits d'auteurs: Association Bourgogne Balkans Express (loi 1901)
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14, Av. Victor Hugo, 21000 Dijon

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