

NAVAL POSTGRADUATE SCHOOL
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THESIS

**EUROPEAN ENLARGEMENT AND THE
INTEGRATION OF THE WESTERN BALKANS**

by

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**EUROPEAN ENLARGEMENT AND
THE INTEGRATION OF THE WESTERN BALKANS**

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Submitted in partial fulfillment of the
requirements for the degree of

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ABSTRACT

After the collapse of communism in Eastern Europe the notions of a 'return to Europe' and a 'common European house' emerged as powerful concepts, particularly in the Western Balkans. But the Western Balkans had to walk through Purgatory on its road to Europe. A bloody war dragged on for ten years involving all the peoples of the region. But today the peoples and the governments of the Western Balkans are committed to leaving behind their past through the European integration process for Southeastern Europe. This accession procedure is long and complicated with ample scope for difficulties to arise. Considering the region's unequal capabilities, the financial burden of reconstruction and stabilization, as well as the potentially counterproductive effects of the European Union initiatives, the problems of the Western Balkans could be better solved by including all countries of the region in the same process of European enlargement. This policy might be based on the economic strength of the European Union and consider the very small economic proportions of the Western Balkans. It should give priority to economic rather than to political or civil-society incentives and give preference to European solutions over bilateral support for reform efforts or intraregional cooperation.

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I. INTRODUCTION

A. GENERAL

The Balkan war dragged on for ten years involving Serbs, Croats, Bosnians, Slovenes and Albanians. The conflict is currently contained but thousands of people of the region lost their lives. Women and children were killed, violated and displaced by terror and genocide; and their homes were destroyed. This ten-year war history is a bloody record of what people call 'the cost of non-Europe'. Disintegration in the Western Balkans has aggravated poverty and interethnic hatred while the integration process has brought to the member states of the European Union significant political stability and an impressive increase in economic well being.

The late nineties saw the European Union significantly change its political approach to the Western Balkans. The leaders of the European Union resolved that a policy of emergency reconstruction was not sufficient to get the Western Balkans out of conflicts, but their integration into European structures would realize that goal. For this purpose they offered the Stability Pact for Southeastern Europe, the Stabilization and Association Process, and the Community Assistance for Reconstruction, Development and Stabilization Program.

The Stabilization and Association Process is a long-term policy aimed at establishing the rule of law, democratic and stable institutions, and a free market, but the principle of conditionality of the Stabilization and Association Process clashes with the principle of regionality of the Stability Pact. The policies of the Stability Pact, being long-term structural projects, suffer from the anxiety and the expectations of the region to produce sustainable and reliable results in the short term. Thus, conditionality creates differences and tensions that regionality cannot overcome. Furthermore, the regionality principle and EU enlargement are dividing the Balkans into two different parts, while the EU simultaneously promotes multilateral cooperation among the states of the same region. Thus, regional cooperation, as a condition for pre-accession, may damage the progress of democratic reforms and of the rule of law, thereby creating new tensions in the Western Balkans. Nevertheless, there is no clear connection between the Stability

Pact and the Stabilization Process, despite the fact that the instruments of the Stability Pact contains the expression, “The Stability Pact is complementary to the Stabilization and Association Process and the accession process.”

Taking into account the region’s unequal capabilities, the financial burden of reconstruction and stabilization, as well as the potentially counterproductive effects of EU initiatives for the region, the problems of the Western Balkans can be better solved by including all countries of the region in the same process of European enlargement. It would dramatically improve the situation and would help fulfill all the conditions of the pre-accession process very soon. Otherwise, it will take decades for the Western Balkans to meet their requirements posed by the present European initiatives.

B. THESIS ORGANIZATION

The whole work is divided into five chapters. Chapter one will introduce the historic and political background of the Western Balkans, its people and their animosities, its economy, and their present efforts to join the West.

Chapter two will examine the current European Union policies towards the Western Balkans. These include The Stability Pact for Southeastern Europe and the Stabilization and Association Process as the new road to security, stability, increased prosperity, and reduced poverty for all peoples living in the Western Balkans. This chapter will also present arguments on the negative effects of these initiatives in that they damage regional cooperation.

Chapter three will present a new solution as the most promising and cost-effective way to resolve the problems of the countries of the Western Balkans. A solution that should defuse tensions, and promote security, stability and prosperity both for the region and for Europe as a whole, and call attention to the importance of strong institutions and good governance. Chapter four will focus on security issues and challenges of the Western Balkans, which since 1991 has been a Euro-Atlantic responsibility and permanent concern. The last chapter will provide conclusions and recommendations for a quick integration of the Western Balkans into Euro-Atlantic Institutions and the European Union, thereby enhancing the security, stability and prosperity of the entire region.

II. THE WESTERN BALKANS: A MULTICULTURAL REGION

The Western Balkans¹ conflict dragged on for ten years and involved Serbs, Croats, Bosnians, Slovenes and Albanians.

The conflict is currently contained, but thousands of people in the region lost their lives. Women and children were killed, violated and displaced by terror and genocide; their homes were destroyed. It is not easy amidst this suspicion, hatred, discontent and extremism to iron things out, and some questions emerge². Why did all that happen? What went wrong?

A brief review of the history might help us answer these questions and look forward to the future.

A. HISTORIC AND POLITICAL ORIGINS OF A MULTICULTURAL REGION

The Balkan Peninsula has remains of human habitation dating back to approximately 6000 B.C.³. The oldest peoples of the region are the Greeks and the Albanians. The area contained the center of ancient Greek and Illyrian⁴ civilization. The political history of the Western Balkans has been affected by its geographic proximity to other great centers of civilization and by the configuration of the land, which offers easy access to foreign invaders and at the same time encourages division and diversity within the region. Outside interference and internal political conflict have thus been dominant characteristics of its history. Situated at the continental crossroads of the Eastern Hemisphere, the area has been subject to successive waves of invasion and to a wide variety of cultural influences. Romans, Venetians, Crusaders, Tatars, Kumans, Turks,

¹ The Balkans is the easternmost of Europe's three great southern peninsulas and, collectively, the countries located there. The name "Balkan" is derived from the Turkish word for mountain and usually refers to countries south of the Sava and lower Danube rivers. In the 19th century, when the term was first used, it usually designated the territory under the direct or indirect control of the Ottoman Empire after the Treaty of Karlowitz (1699). It did not include the lands held by the Habsburg Empire before 1918 that are now integral parts of Balkan states. The Western Balkans is a group of multicultural nations of Southeastern Europe, including Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Serbia and Montenegro.

² Abenheim, D., *United Germany, Nationalism and Militarism, Potsdam and the Maintenance of Tradition*, p.18, Naval Postgraduate School, Springfield, VA, 1992.

³ Early traces of human life in Albania have been found in Cakran settlement, which belongs to middle Neolithic times (5000 BC) and whose civilization is very similar to contemporary civilizations north of the Adriatic [Jacques, E. E., *The Albanians, An Ethnic History from Prehistoric Times to the Present*, p. 4, McFarland & Company, Inc., Publishers, 1995 and Pollo, S. and Puto, A., *The History of Albania from its Origins to the Present Day*, p. 1, Routledge and Kegan Paul, 1981.]

Magyars, and Germans, to mention only a few, have all left their mark on the land. Some of the conquests, for instance that of the Romans, were beneficial to the territory. The successive barbarian⁵ invasions from the north, however, were extremely detrimental, and the later years of Ottoman domination brought a long period of stagnation in the development of the Balkan peoples. Each conquest, however, has had a determining effect on all aspects of Balkan civilization, especially on the ethnic composition of the population⁶.

After the division of the Roman Empire in 285 A.D., the greater part of the Balkan Peninsula fell to the Eastern Roman (Byzantine) Empire with its capital at Constantinople⁷. The Byzantine Empire remained the most powerful military, political, and cultural force in the area for a thousand years. Its position of religious leadership was most important. After 1054, when the Christian churches of East and West split, Constantinople became the center of the Orthodox world, and its influence extended over the Orthodox peoples of the Balkans.

Although the Western Balkan nations share certain traditions and general characteristics as a result of their similar histories, relations between the major political groups have almost continually been strained and competitive, even in the face of outside menace.

In the 14th century the Christian Balkan states, whose relations were characterized by intense and bitter rivalry, fell to the Muslim Turks. For roughly 500 years Ottoman influence remained predominant in the Balkans because the Christian peoples failed to unite against a common foe.

Although a revived spirit of nationalism spread through the Balkans at the end of the 18th century, independence from Turkish rule was achieved only by slow stages throughout the 19th century. Thus, national pressures, together with the conflicting interests of the great powers, who were intervening in Balkan politics, placed the

⁴ The Albanians are decedents of the Illyrians.

⁵ There were numerous barbarian invasions of the Balkan Peninsula, but that of the Slavs, which began in the 5th century and reached a peak in the 6th and 7th centuries, had the greatest effect on the subsequent ethnic composition of the area.

⁶ Jelavich, B., *History of the Balkans: 20th Century*, v. 2, p. 80, Cambridge University Press, 1993.

⁷ Zickel, E. and Iwaskiw W.R., *Albania, a Country Study*, p. 82, Headquarters, Department of the Army, 1994.

peninsula in a state of almost continual turmoil. The Balkan Peninsula was the scene of warfare in 1821-1829, 1853-1856, 1875-1878, 1885, 1897, and 1912-1913⁸. The unsettling effect of these contests was accentuated by frequent civil wars. Because of the strategic significance of the peninsula, the "Eastern Question", the problem of determining the political fate of the increasingly feeble Ottoman Empire, became the chief issue in European international relations from 1815 to 1914. The main antagonists in the diplomatic conflict were Britain and Russia. Concerned with the preservation of its communications with the East and with India in particular, Britain feared that the collapse of the Ottoman Empire would be followed by Russian domination of the area⁹. Britain, therefore, tried to maintain Ottoman power while simultaneously securing reforms in the administration of the subject nationalities. Russia, on the other hand, was more willing to give direct help to the Slavic people of the Balkans¹⁰. Austria, apprehensive of a growth of Russian power, tended to take the British position¹¹. France, at odds with Britain over other Mediterranean issues, took a pragmatic approach, changing its position in every crisis to meet the demands of its own interests¹².

Despite the contradictory aims and policies of the great powers, the Albanians, Montenegrins, and Serbians were able to establish their independence after the Balkan Wars¹³. Although the pattern of borders drawn in 1913¹⁴ laid the basis for the modern

⁸ Jelavich, B, pp 46-50, pp 95-100.

⁹ Zickel, p. 17

¹⁰ Jelavich, Ch., *Tsarist Russia and Balkan Nationalism, Russian Influence in the Internal Affairs of Bulgaria and Serbia, 1879-1886*, p. 28, University of California Press, 1958.

¹¹ One of the events of Balkan history that had so critical an effect on subsequent Balkan problems that it needs be spotlighted first is the Congress of Berlin in 1878, where the great powers of Europe drastically revised the Treaty of San Stefano that had partitioned Ottoman lands earlier in the same year. The Treaty of San Stefano had been signed in March 1878 between a defeated Turkey and a victorious Russia. Under the treaty, the sultan recognized the independence of Serbia, Montenegro, and Rumania; but Albania, although given autonomy, was to remain a nominal part of Ottoman Empire.

¹²Waltz, K. N., *Theory of international Politics, Structural Causes and Military Effects*, pp 160-193, Assidon-Wesley Publishing Company, 1979.

¹³ Pollo, p. 146 and Jelavich, B, pp 100-103.

¹⁴ In 1913 the Conference of Ambassadors in London left out half of the Albanians and the Albanian lands and gave Serbia, Montenegro and Greece sovereignty over Kosova, Plava, Gutsia and Thiameria (Çamëria). From that date on, Serb nationalists have constantly massacred the Albanian Population of Kosova. Between 1913 and 1941 about 300,000 Albanians were forced to leave [Malcolm, N., *Kosovo: A Short History*, p. 286, London and Basingstoke, Macmillan, 1998].

Tito period (1945-1980): renewed Serbian suppression and persecution. Due to the Prague Spring of 1968, Tito upgraded the status of Kosova in 1974, but he didn't make of it a republic. The people were disappointed and demonstrated [Lee, M., "Kosovo between Yugoslavia and Albania," *New Left Review*,

map of the Balkans, instability continued in the region, largely due to conflicting Austro-Hungarian and Serbian ambitions over the control of Bosnia and Herzegovina. The assassination of the Austrian archduke Francis Ferdinand in Bosnia by a young Serbian revolutionary on June 28, 1914, resulted in an Austrian declaration of war on Serbia that, because of a network of interlocking military alliances throughout Europe, precipitated World War I¹⁵.

The Great War brought about major changes in the political map of the Western Balkans. In 1918, Yugoslavia was formed from Serbia, Montenegro, and the Habsburg south Slav lands. The Kingdom of Serbs, Croats, and Slovenes became "Yugoslavia" after a royal coup d'état in 1929¹⁶.

140 July-August, pp 62-91, 1983]. However, after Tito the economic situation deteriorated and unemployment was very high (three times the national average). Calls were made for Kosova to be granted republic status in order to help it overcome these difficulties, but this did not happen [Lampe, J.R, *Yugoslavia as History: Twice there was a Country*, 2nd edition, p. 337, Cambridge, Cambridge University Press, 2000 and Lee, p. 67].

Milosevic's rise to power marked a return to a tougher policy [Ramet, S, *Whose Democracy? Nationalism, Religion and the Doctrine of Collective Rights in Post-1989 Eastern Europe*, p.148, Lanham and Oxford, Rowman and Littlefield, 1997] and the autonomy of the province was revoked in 1989. Milosevic and the Serbs exerted significant pressure to ensure that Albanian leaders resign; that the Academy of Sciences in Kosova be abolished; that Albanian street names be changed to Serbian; and that Serbs receive preferential treatment. The Albanians were fired from their posts (130,000 between 1990 and 1995) and lost their homes to Serbs, 20,000 people were violated, illegally detained, or raped, and 200 were killed [Ramet, S., p. 148; Ramet, S., *Balkan Babel*, 3rd ed, p. 308, New York, Westview Press, 1999; Leuridijk, D and Zandee, D., *Kosovo: From Crisis to Crisis*, pp 17-23, Ashgate Publishing Limited, 2001]. Between November 1994 and January 1995 alone, 25,000 were forced to leave [Rama, S.A., "The Serb-Albanian War and the International Community's Miscalculations," *International Journal of Albanian Studies*, cited at www.albanian.com/IJAS/vol2/is1.html, 2000 and Ramet 1999 p. 308]. Their homes and businesses were looted and burned.

In the summer of 1998, a quarter of a million Kosovars were forced from their homes as their houses, villages and crops were destroyed. As more Kosovars fled, the Serbs implemented a resettlement policy and Albanian property was simply confiscated [Ramet 1997, pp 151-152].

By late September 1998 Western anxieties about Serb actions in Kosova had reached their peak. As diplomatic negotiations collapsed, ethnic violence threatened to spill over. The West no longer accepted Serb claims of an internal matter and felt that it had no choice but to start Operation Allied Force on 24 March 1999 (concluded on 10 June 1999).

¹⁵ Thompson, K. W., Morgenthau, S. and Morgenthau, M., *Politics among Nations, The struggle for Power and Peace*, p.3-17, McGraw-Hill, Inc 1993, and Jelavich, B, p. 112.

¹⁶ The idea of Yugoslavia was first suggested in Croatia in the 1830s by a movement who wanted all south Slavs to unify culturally and politically to defend themselves against aggressive Ottoman, German, Italian, and Hungarian nationalisms. It was then assumed that the culturally advanced Croatian city Zagreb would be the centre of this proposed state. The idea remained only a dream for almost a century, for there was no opportunity to form a new Yugoslav state until the end of World War I, when the Ottoman and Austro-Hungarian Empires were both defeated and dismembered by the allied victors. In 1912 Serbia "joined" a coalition with Bulgaria, Greece, and Montenegro to attack Ottoman Turkey. Thus, the First Balkan War ended by Turkey's ceding almost all its European possessions. The next year, in the Second Balkan War Serbia doubled its size and territory, incorporating more non-Serbs than it could either assimilate or

In general, the years between World War I and World War II were difficult for all the Western Balkan states. Until 1924, when the future king of Albania took over, Albanian governments appeared and disappeared in rapid succession and prepared the road to Italian penetration¹⁷, Yugoslavia suffered from the inability of the Serbs and Croats to adjust their traditional rivalries within the new state. All the nations had internal economic difficulties and severe minority problems. The rise of fascist Italy and Nazi Germany in the 1930s brought the states face to face with an immediate threat in the international field. In 1939 Albania was annexed by Italy. In 1940 Italy's dictator, Benito Mussolini, launched an invasion of Greece. The Italians inability to carry through this campaign led to a German invasion of both Greece and Yugoslavia in 1941. The conditions of this conflict and the occupation that followed led to the creation of large guerrilla forces in all countries of the Western Balkans. These forces were of great political significance¹⁸ later. The frequency and intensity of these conflicts have left a deep imprint on the outlook of the peoples, and they help to account for the low economic level of the area throughout most of its history. The end of the war in 1945 introduced a period of revolutionary change. Communist regimes came to power, as they did throughout Eastern Europe, until 1989.

eliminate. The Muslim populations particularly suffered from the brutality of these wars [Bennet, Ch., *Yugoslavia's Bloody Collapse: Causes, Course and Consequences*, pp. 22-23, New York University Press, 1995].

It was the Western allies who created Yugoslavia from the fragments of the two empires they had vanquished. At its founding in 1918 Yugoslavia was known as the 'Kingdom of Serbs, Croats and Slovenes'. The Serbian Prince Alexander, who had sided with the war's victors, agreed to unite his territory with the former Habsburg lands with Belgrade as its capital [Bennett, p. 29]. It had a territory of about 248,000 square km and a population of about 12 million [Crnobrnja, M., *The Yugoslavia's Drama* (2nd ed.), p. 51, McGill-Queen's University Press, 1996].

The Croats were immediately disappointed, for the new state gained control of their funds and replaced their old Habsburg institutions with Serbian ones [Bennett, p. 35]. No efforts to integrate the old states through compromise were successful. No parliamentary coalitions could be created that transcended the concerns of nationality groups. The former Habsburg subjects resisted the dominant Serbs, sometimes violently, [Necak, D., *Historical Elements for Understanding the Yugoslav Question*, p. 23, Payam Akhavan and Robert Howse, eds., The Brookings Institute, 1995]. In 1928 King Alexander became dictator of the country, giving it the new name 'Yugoslavia'.

Some Croatians wanted full independence and were prepared to use violent means of breaking up the country. In particular, the fascist Ustasha-Croat Revolutionary Organization, led by Ante Pavelic, which received support from Mussolini (Spencer, p.5).

¹⁷ Zickel, pp 28-32.

¹⁸ Pollo, p. 227.

The frequent invasions of the Balkan Peninsula are largely responsible for the political divisions of the area and the variety of national characteristics among the people.

The tendency of the Balkan nations to follow separate paths of national development continued into the years after World War II. Subsequently, however, alterations were made in the relationships that had been established in the immediate postwar years. In 1948, in a sharp controversy with Soviet premier Joseph Stalin, Yugoslav premier Tito claimed his country's right to develop its own brand of socialism.

When the Cominform¹⁹ expelled Yugoslavia on June 28, 1948, Albania made a rapid change in its policy toward Yugoslavia. Three days later, Tirana gave Yugoslav advisers in Albania forty-eight hours to leave the country, canceled all bilateral economic agreements, and entered an orbit around the Soviet Union.

In 1960, Albania broke with the Soviet Union, and thereafter sought closer relations with the People's Republic of China²⁰.

For 40 years after World War II, Balkan politics were dictated by the Cold War between the superpowers. It was only with the collapse of the Soviet Union after 1989 that the Balkan states rediscovered possibilities for real political change. However, throughout the Western Balkans the construction of democratic politics was seriously hampered by the lack of a tradition of political participation, by vestiges of dictatorial order, by severe economic problems, by ethnic divisions²¹, and by a bloody and bitter ten-year war.

B. THE PEOPLE OF THE WESTERN BALKANS

Today most of the states are relatively homogeneous in ethnic composition. The main important exceptions to ethnic homogeneity are the large Albanian populations in Macedonia²² and Montenegro, the Hungarians in the Serb Vojvodina, and the Serbs in Kosova.

¹⁹ Communist Information Bureau

²⁰ Zickel, pp 42-43.

²¹ Ethnicity came to be especially important in the Balkans during the 19th century, when the division of the Habsburg and Ottoman empires began to result in modern states without respect for patterns of language or religious adherence.

²² The official name of Macedonia is the former Yugoslav Republic of Macedonia (FYROM). Some countries, such as Albania, have recognized FYROM as Macedonia, but Greece is still strongly opposing this recognition.

The states of the region are organized on a national basis, with a centralized state administration (except for Kosova, it is under a United Nations administration) and with a single language and religion predominating (the Albanians in Macedonia are trying to use their language as an official one, but their efforts have not succeeded yet).

Albania has a population of over 3 millions. The Albanians, as the Greeks, speak ancient and very distinctive non-Slavonic languages²³. The Albanian language, written in Latin, though Indo-European, is entirely distinct from the tongues spoken elsewhere in the region, and is the only surviving representative of the Thraco-Illyrian group of languages, which was spoken by the inhabitants of the Balkan Peninsula before the Roman period²⁴.

The population of the states emerging from the former Yugoslavia is almost 23 million. They are all Slavs, except for the Kosovars, and form the majority of the population in Serbia, Bosnia and Herzegovina, Croatia, Macedonia, and Montenegro. The Macedonians speak their own Slavic language. The Serbs, Croats, Bosnians, and Montenegrins all speak dialects of Serbo-Croatian. The Kosovars are Albanians and they speak Albanian. Dating from the 9th century, when local tribes began to be converted to Christianity through the influence of adherents of either the Roman Catholic or Orthodox churches, the South Slav languages have been written in either the Latin script (parts of Bosnia and Herzegovina and Croatia) or the Cyrillic script (Serbia, parts of Bosnia and Herzegovina, Montenegro, and Macedonia)²⁵.

The rich and varied cultural heritage of the Balkan Peninsula is reflected in the life of its people and in the monuments of its past. In addition to the major trends, each Balkan people, indeed each individual area, has developed its own unique peasant culture, which is reflected in folk songs, costumes, village architecture, and painting.

Religion also imparts a significant measure of diversity. The Serbs, the Macedonians, the Montenegrins and part of the Albanians are Christian Orthodox. The Croats are predominantly Roman Catholic, as part of the Albanians are. Islam is adhered to by the Turkish minority and the majority of the Albanians. In Bosnia and Herzegovina,

²³ Chekrezi, C. A, *Albania: Past and Present*, p.18, New York, Macmillan, 1919.

²⁴ Cabej, E., "Per gjenezën e literaturës shqipe (On the Genesis of Albanian Literature)," *Hylli i Drites*, p. 8-15, 84-93, 149-80, Shkoder, 1939.

but also in Macedonia, Montenegro, and Serbia, many indigenous Slavs converted to Islam following the arrival of the Ottoman Turks in the 14th century, and these people, while undistinguished from their neighbors in other ways, regard themselves as ethnic Muslims.

Churches of the Eastern Orthodox tradition predominate. They are organized on a national basis and are autocephalous as the Albanian Orthodox Church, Macedonian Orthodox Church and Serbian Orthodox Church²⁶.

C. ECONOMIC BACKGROUND OF THE WESTERN BALKANS

Although many parts of the Balkan Peninsula are relatively rich in natural resources, the region has lagged behind the rest of Europe with respect to economic development.

In modern times the economic life of the Balkan nations has been backward in comparison with that of the rest of Europe²⁷. The great differences in the standards of living and in the natural endowments of the different regions have been important aspects of Balkan economic life.

The communist governments, which took over throughout the region after the World War II, embarked on a radically new course of economic development, including the abolition of private enterprise and concentration on rapid industrialization under strong state control and direction²⁸. Despite the fact that no Balkan state had a really adequate base for the system, the socialist governments developed their economies according to the Soviet model²⁹. Each nation attempted to construct a balanced industrial complex. They first emphasized the development of heavy industry, with the result that production of consumer goods suffered by contrast. Throughout most of the region, the dogmatic communist identification of economic progress with the development of mining

²⁵ Arnakis, G. G., *The Balkans in Transition*, p. 119, University of California Press, 1963.

²⁶ Arnakis, pp 133-140.

²⁷ Historically, the mixed terrain of mountains, hills, valleys, and plains meant a scarcity of good farmland and an absence of roads, which, in turn, hindered commerce and the growth of towns. For many centuries, the basic settlement was the small, self-sufficient farming village, and large towns and cities were few or nonexistent.

²⁸ Spulber, N., *The Balkans in Transition*, p. 369, University of California Press, 1963.

²⁹ Jelavich, Ch. and B., p. xv

and manufacturing resulted in a neglect of agriculture³⁰, excessively high rates of urbanization, and an aging rural population.

The economic policies and external trade relations have been closely associated with their political evolution and with world events. Although in the immediate postwar period the Soviet Union gained a predominant influence in the socialist countries of Albania and Yugoslavia, this relationship soon underwent significant modifications. Yugoslavia in 1948 and Albania in 1960 asserted their right to independent development in relation to the other socialist countries of the Eastern Block. These actions were accompanied by changes within the states as well as shifts in their external trade relations. After breaking with the Soviet Union, Albania tried to increase its trade both with the West and with China, while Yugoslavia accepted extensive aid from the United States and developed its trade with the West³¹.

Albania broke with China in 1978 and the Stalinist regime led the country into deep isolation until 1991. Yugoslavia's system of "workers' self-management" proved both more flexible and more responsive to the need for consumer goods.

After the collapse of communist regimes throughout the region in 1989, economic reconstruction was endangered. We can find a lot of reasons for that, such as technological backwardness, lack of modern managerial skills, shortage of investment, the loss of traditional markets, the real practical and legal difficulties involved in programs of privatization, and so on, but the essential reason was the ten-year war or the Third Balkan War.

D. THE THIRD BALKAN WAR

Scholars throughout Europe and the United States have offered different arguments; however, it may be useful to name the three most common that underpin most discussions. There may be some validity in all three reasons or arguments, though perhaps more in one than another³².

³⁰ Albania made great efforts to develop its agriculture because it was seen as part of Albania's strategy of being independent.

³¹ Zickel, p. 82

³² Spencer, M., *The Lessons of Yugoslavia, What Happened in Yugoslavia?* p. 39, New York, JAI Imprint, 2000.

First, one explanation for the tragic and violent breakup can be called the theory of a ‘democratic deficit.’ This argument focuses attention on Yugoslavia’s political history before the end of the Cold War. It portrays Yugoslavs as inexperienced with democratic institutions, unfamiliar with the democratic habits of civil society, and as having inherited an unworkable constitution that could not yield solutions to the challenges of the 1990s. Had democracy been institutionalized earlier, this theory suggests that the collapse might have been avoided. The model criticizes Serbian leader Slobodan Milosevic as particularly anti-democratic and suggests that a different leader with a proper grasp of pluralism might have facilitated a smooth transition to democracy.

Second, there is the ‘nationalist theory,’ an explanation for Yugoslavia’s troubles that refers to the long history of ethnic hatred in the Balkans. According to this argument, democracy could not have prevented the crisis. Instead, the coming of greater freedom of expression actually allowed the citizens to demonstrate overtly their centuries-old hatred of other nationalities, in contrast to the communist period when animosities had been repressed. This model, which takes nationalistic hatred as immutable, tends to assume that the solution to the crisis must involve a partition of the state into separate populations who will never learn to live together peaceably because of their long history of violence³³.

It is a mistake to recall warmly the good old days of Josef Broz Tito, because he was one of the main source’s of the crisis that has been going on during the 1990s. It was he who began to preempt the claims of authentic nationalists, the ‘bourgeois’ nationalists³⁴. But the most successful was the Serbian politician Slobodan Milosevic, who rode the wave of nationalism in the most outstanding way in the late 80s. He was obsessed only with power, and he understood at one point that nationalism was the only card left for him to play³⁵.

³³ In this context an important role is played by mass media. Not only should they provide the necessary information on ethnic diversity, knowledge about ‘others,’ opportunities for meetings and cooperation, and education for the management of ethnic conflicts, but they should especially work on the promotion of the ideology of cooperation. This should complement or even replace the prevailing ideology of competition (Zagar, p. 88).

³⁴ Licht, S., *The Lessons of Yugoslavia, Civil Society, Democracy, and the Yugoslav Wars*, p.114, New York, JAI Imprint, 2000.

³⁵ Licht, p. 114-115.

Finally, the economic reason is the third explanation for the collapse of Yugoslavia. It points to economic factors, especially the foreign debt that had accumulated during the Cold War and the stringent measures imposed by the International Monetary Fund to curtail inflation. Yugoslavia was never a rich country, and it is true that it underwent a painful belt-tightening shortly before the country broke apart. Some observers blame the crisis on the poverty that accompanied the Western imposed economic austerity program of the late 1980's. On the other hand, many other analysts, particularly those of Yugoslav background, believe that the harsh economic measures were necessary, successful, and even accepted by the citizens.

E. THE NEW ADVENTURE

This ten-year war history has been a bloody record of what people call 'the cost of non-Europe', but the seeds of conflict come from the diverse pattern of historical development of the Balkan states, which were formed in their present structure only in 1919 after centuries of control as parts of the Ottoman, Austro-Hungarian, and Russian empires. During that long struggle for independence and recognition, strong animosities were engendered over territories occupied and then lost to each other as the fortunes of war and empire changed. Thus was born the thorny web of "problem areas" that enmeshes the Balkans and prejudices Balkan actions in peace and in war. In addition, the conflict in the influences and aspirations of foreign powers, has led to actions inside and outside the Balkans, which strongly and directly affected Balkan affairs.

The problem areas of today are a result of the interaction of these basic factors. They remain constant sources of disunity among Balkan nations and no permanent solutions have yet been found. During periods of amity between countries, territorial problems lie dormant and are temporarily amicably resolved or tolerated. But in times of crisis, both local and international, territorial aspirations are revived and another phase is added to the struggle over territories. It is precisely this feature of changeability of attitude that makes it so necessary to understand individual areas in their relation to

Balkan national issues, especially in the present international situation after ten-year war³⁶.

In his introduction to a study Hugh Seton-Watson remarks: "Of all my travels I think the most enlightening were in the Balkans, whose combination of intellectual subtlety and crudity, of tortuous intrigue and honest courage revealed more truths about the political animal man than are to be found in most textbooks of political science."³⁷

There are perhaps two principal reasons why the life of the Balkans seems to provide such insights into the nature of politics and politicians. The first is the peculiar combination they present of the familiar and the unfamiliar, the recognizably European and the specifically Balkan.

It is true, of course, that the foreign policies of the Balkan states have been strongly influenced, and complicated, by intra-Balkan relations – it was never just a question of relations between great and small powers. Indeed, it may be that the perennial precariousness of international relations in the Balkans is a consequence of an overlapping of two power systems: the competition of the great powers for influence in this strategic area and the mutual rivalry of the emergent Balkan sovereignties, which could still lead to common action between two or more Balkan states³⁸.

The disintegration in Western Balkans has aggravated poverty and inter-ethnic hatred while the integration process has brought the member states of the European Union (EU) significant political stability and an impressive increase in economic well-being. The EU integration experience provides an argument in favor of regional cooperation as the main road to security, stability, increased prosperity, and reduction in poverty for all peoples living in the Western Balkans.

However, the present Balkan governments should know that throughout history the peoples lived side by side and in the most tragic conditions, and they should make

³⁶ Kostanick, H. L., *The Geopolitics of the Balkans*, Roberts, H. L.: *Politics in a Small State: the Balkan Example, The Balkans in Transition, Essays on the Development of Balkan Life and Politics since the Eighteenth Century*, p. 10, University of California Press, 1963.

³⁷ Seton-Watson, H., *Neither War Nor Peace: The Struggle for Power in the Postwar World*, p. 15, New York, Praeger, 1960.

³⁸ Roberts, H. L., *The Geopolitics of the Balkans*, Roberts, H. L.: *Politics in a Small State: the Balkan Example, The Balkans in Transition, Essays on the Development of Balkan Life and Politics since the Eighteenth Century*, p. 386, University of California Press, 1963.

their efforts to restore the equilibrium in the region the first step towards ending the Balkan drama wherein one people oppresses another people. In this long history the Balkan peoples have learned that no one people can be crushed by another. They have to convince themselves of that truth and renounce the conflict, walking together on the path of hope. Within this framework, resolution of the status between the Kosovar Albanians and the Serbs is fundamental. If the EU fails to comprehend the respective importance of the two peoples there can be no peace in the Balkans.

Today the Western Balkans needs Europe. But does Europe need the Western Balkans? This question may provoke an ironic smile and the thought, “Who on earth would be interested in inviting the devil in?”³⁹.

Europe has the possibility, through the integration process, to make the Western Balkans prosperous and bring to Europe not only its marvelous natural resources, but also its human and cultural energy. The Continent will also rid itself of the remaining prejudices that still veil its vision of the area, the most recent one being the lack of the rule of law.

In the late 1990’s the EU changed significantly its political approach to the Western Balkans. The leaders of the EU resolved that a policy of emergency reconstruction was not sufficient to get the Western Balkans out of conflicts, but that integration into European structures would achieve that objective. For this purpose, on 10 June 1999, in Cologne, the EU backed by the US and other members of the International Community involved in European Affairs offered the Balkan Governments an opportunity to leave behind the past and join their efforts by committing themselves to a new future under the Stability Pact⁴⁰ for Southeastern Europe, the Stabilization and Association Process and the CARDS program (Community Assistance for

³⁹ Kadare, I., “The Balkans, Truth and Untruth, The southern Balkans: Perspectives from the Region,” Chaillot Paper 46, p.13, Institute for Security Studies of WEU, 2001.

⁴⁰ The Stability Pact Partners: The SEE countries: Albania, Bosnia-Herzegovina, Bulgaria, Croatia, FYR of Macedonia, Moldova, Romania and Serbia & Montenegro; the European Union Member States and the European Commission, non EU-members of the G8: USA, Canada, Japan and Russia; other countries: Czech Republic, Hungary, Norway, Poland, Slovakia, Slovenia, Switzerland, Turkey, International organizations: UN, OSCE, Council of Europe, UNHCR, NATO, OECD, International financial institutions: World Bank, International Monetary Fund (IMF), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Council of Europe Development Bank (CEB); Regional

Reconstruction, Democratization and Stabilization)⁴¹. This objective was confirmed in Lisbon, March 2000. The same year, the European Councils at Feira and Nice acknowledged the countries of the Western Balkans (Albania, Bosnia and Herzegovina, Croatia, Kosova⁴², the Federal Republic of Yugoslavia: Serbia and Montenegro, and Macedonia⁴³)⁴⁴ as “potential candidates” and declared a clear prospect of membership on the basis of the Treaty of Amsterdam, once the Copenhagen criteria of 1993 have been met.

This policy is looking forward to help the Western Balkan countries transform their aspirations into reality. Will solidarity go further? Will the present commitment bring the Western Balkan nations to cooperate with one another on behalf of common interests? While geography and ethnic diversity have shaped their history, which has been one largely of conflict and disunity, there also exists a tradition of regional unity grounded in common periods of subjection, in religious ties, in the infrequent but still significant cooperation among the respective movements for national liberation in the nineteenth century, and in the basic similarities of peasant societies under the impact of the winds of change⁴⁵.

In this perspective the Western Balkans or the Balkans nations have no other choice but to cooperate and look forward to the European Integration.

initiatives: Black Sea Economic Cooperation (BSEC), Central European Initiative (CEI), Southeast European Cooperative Initiative (SECI) and Southeast Europe Cooperation Process (SEECP).

⁴¹ Stability Pact for Southeastern Europe.

⁴² Kosova is under the jurisdiction of the UN and its final status has still not been resolved.

⁴³ On 14 March 2002 Serbia and Montenegro decided to create a loose federation named Serbia and Montenegro.

⁴⁴ The European Council, meeting in Lisbon on 23 and 24 March 2000, and The European Council, meeting in Feira on 19 and 20 June 2000, in Nice on 7-9 December 2000.

⁴⁵ Campbell, J. C., *The Geopolitics of the Balkans*, Roberts, H. L.: *Politics in a Small State: the Balkan Example, The Balkans in Transition, Essays on the Development of Balkan Life and Politics since the Eighteenth Century*, p. 417, University of California Press, 1963.

III. THE EUROPEAN UNION POLICY TOWARD THE WESTERN BALKANS

The unification of Europe will not be complete until it includes its Southeastern part.

European Council⁴⁶

A. CURRENT PRACTICE

The peoples and the governments of the Western Balkans are committed to leave behind the past and join the European Union through the Stability Pact for Southeastern Europe, the Stabilization and Association Process and CARDS program (Community Assistance for Reconstruction, Democratization and Stabilization).

The Stabilization and Association process is a long-term policy aiming at establishing the rule of law, democratic and stable institutions, and a free market economy in all the states of the Western Balkans, paving their road to the EU. This European initiative includes two phases:

The first phase is a preparatory one whose main goal is the realization of a Stabilization and Association Agreement with EU. The Stabilization and Association Agreements is the essential element of the Stabilization and Association Process and the most important stage of this journey. The realization of the Stabilization and Association Agreements represents the commitment of a country to conclude a formal association with the EU over a period of time called the transition period. During that period of time the determined country should have implemented a free trade area and reforms meeting EU standards. This process brings the country closer to the EU. On the other hand, the EU observes very carefully the transition period before granting that contract, which, for sure, is a political decision. Three years ago a contract was granted to Macedonia only for political purposes. At that time Macedonia had not realized any of the conditions foreseen in the transition period.

The second phase includes the negotiation and the implementation of the Stabilization and Association Agreements. These agreements open the green light to the EU to work with each individual country of the Western Balkans to bring them closer to

⁴⁶ The Copenhagen Council, December 2002

EU standards. To some extent it is a process we have seen in the Central and Eastern European Countries⁴⁷.

The core elements of the agreements are the democratic principles and the free market economy in a free trade area with the EU and the associated regulation and benefits. The European Commission believes that this process will enable the economies of the Western Balkans to begin their integration with the economies of the EU.

The Stabilization and Association Agreements takes into consideration the situation of each country. Nevertheless, these agreements share a common goal: associating the countries of the Western Balkans with the EU, so the bottom line of the agreements is the EU. But when? How long does it take for the Western Balkans to implement the European obligations? The answer to that question is very simple: it is Europe's decision.

The EU has set up several mechanisms to assist the Western Balkans according to the EU democratic and economic model, such as the Stabilization and Association Council, which operates through specialist subcommittees to political level meetings, the Community Assistance for Reconstruction, Development and Stabilization program (CARDS). CARDS, which budgets € 4.65 billion for 2002-2006, is foreseen to assist in the implementation of the Stabilization and Association process in the countries of the Western Balkans in the preparatory process and in the implementation of the Stabilization and Association Agreements. CARDS will focus on democratic and economic reforms and institution building as the main elements to implement the agreements.

However, the Stabilization and Association Agreements encourage the Western Balkan countries and their governments to deepen the reforms, to establish the rule of law to cooperate to fight organized crime, to open their borders, and to develop bilateral and regional trade relations through the free trade agreements.

The Stabilization and Association Process is based on conditionality, but it includes regional cooperation as well, and if this process will be successful, it will certainly defuse tensions throughout the area.

⁴⁷ *Zagreb Summit*, 24 November 2000.

The Balkan countries welcomed the Stability Pact for Southeastern Europe⁴⁸ as a European initiative to increase economic, political and social cooperation between the EU and the countries of the Balkans through three Working Tables⁴⁹.

The Stability Pact package consists of 244 projects from all three Working Tables. The most important ones are the projects in the infrastructure sectors: transportation, energy and water. In order to realize this project the Pact organized two donor conferences, the first in Brussels, March 29-30, 2000, and the second one in Bucharest, 25-26 October 2001. In those conferences the SP secured funding for projects worth € 5.4 billion. According to the headquarters of the SP, 97% of the projects had started by early 2002⁵⁰.

However, the policies of the Stability Pact vis-à-vis long-term structural projects suffer from the anxiety and the expectations of the region to produce sustainable and reliable results in the short term.

Regional cooperation is an absolute condition and priority for the Stability Pact, as well. Regional problems require regional solutions. . Yet some of the obstacles the Stability Pact has to overcome in the implementation phase are directly related to the regionality principle. The Western Balkan countries are very different not only from an economic viewpoint, but they also face transitional differences, including the bilateral relations with the EU, which obstruct regional cooperation⁵¹. So, conditionality creates

⁴⁸ The Stability Pact for Southeastern Europe was adopted in Cologne on 10 June 1999. In the founding document, more than 40 partner countries and organizations undertook to strengthen the countries of Southeastern Europe "in their efforts to foster peace, democracy, respect for human rights and economic prosperity in order to achieve stability in the whole region". Euro-Atlantic integration was promised to all the countries in the region. At a summit meeting in Sarajevo on 30 July 1999, the Pact was reaffirmed. The Stability Pact Partners are the SEE countries: Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Romania and Serbia and Montenegro; the European Union Member States and the European Commission, non EU-members of the G8: USA, Canada, Japan and Russia; other countries such as the Czech Republic, Hungary, Norway, Poland, Slovakia, Slovenia, Switzerland, and Turkey; International organizations such as UN, OSCE, Council of Europe, UNHCR, NATO, OECD; International financial institutions such as World Bank, International Monetary Fund (IMF), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Council of Europe Development Bank (CEB); Regional initiatives such as Black Sea Economic Cooperation (BSEC), Central European Initiative (CEI), Southeast European Cooperative Initiative (SECI) and Southeast Europe Cooperation Process (SEECF).

⁴⁹ *Stability Pact for Southeastern Europe, Working Table I, II, and III*, Brussels, 1999.

⁵⁰ *Stability Pact for Southeastern Europe, What is the Pact?* Brussels, 1999.

⁵¹ European Commission, "CARDS Assistance Program to the Western Balkans, Regional Strategy Paper 2002-2006," p. 4- 41, Brussels, 2002.

differences and tensions that regionality cannot overcome (the present status of Kosova is another obstacle to regional cooperation)⁵².

Furthermore, the regionality principle and EU enlargement are dividing the Balkans into two different parts. Slovenia, Romania and Bulgaria are candidate countries seeking EU membership in the next round of enlargement. Slovenia will join EU on 1 May 2004, while the forecast for Romania and Bulgaria is the next round, maybe 2006⁵³. The three of them, in a manner of speaking, will leave the region and become part of the Union. The EU will thus separate the region into two different parts, while at the same time the EU promotes multilateral cooperation among the states of the same region. Thus, the regional cooperation, as a condition for pre-accession, may damage the progress of the democratic reforms and the rule of law, creating new tensions in the Western Balkans.

The Stability Pact for Southeastern Europe faces tension even between Balkan difficulties and European preferences. As a matter of fact, 12% of the project funding goes to the First Working Table, Democratization and Human Rights, focusing on four priority areas: cross-border cooperation and local democracy building on achievements by the Human Rights and Minorities Task Force and the Szeged Process⁵⁴. 84% goes to Working Table II, Economic Reconstruction, a World Bank strategy which aims at private sector development, especially through the liberalization of trade, the improvement of the business and financial sector; poverty reduction and social development, increasing investment in regional infrastructure and enhancing environmental protection. Only 4% goes to Working Table III, Security Issues, both internal and external, such as mine action, including stockpile destruction⁵⁵, prevention the flow of small arms and light weapons, arms control issues and confidence building measures, anticorruption and anti-organized crime initiatives, police training and regional police cooperation. In this regard, the Western democracies may take steps to restore the

⁵² *Albania: Growth and Poverty Reduction Strategy (GPRS) Progress Report*, World Bank, February 2001 and *Kosova: Economic and Social Reforms for Peace and Reconciliation*, World Bank, February 2001.

⁵³ *Informal European Council Meeting, Signature of the Treaty of Accession*, Athens, 16 April 2003 and Prodi, R., *2000-2005: Shaping the New Europe*, Strasbourg, 15 February 2000.

⁵⁴ The Szeged Process is a mechanism that had originally been established to support democratic forces in the FRY at the time of the Milosevic regime, more than 40 partnerships have been concluded with cities and local authorities governed by opposition parties in Serbia. In March 2002, the Szeged Process incorporated the promotion and development of regional, local and cross-border cooperation.

⁵⁵ *San Francisco Mine Awareness Project to Benefit Landmine Clearance in Balkans*, 12 June 2000.

lost confidence of the Stability Pact Office by reconsidering the priorities of the region during the first phase of the project and offering the suitable ones to the international donor community⁵⁶.

On the other hand, the Pact is not entirely an EU responsibility. The European Union manages only the Regional Table⁵⁷. In this context, the realization of the Stability Pact will require the European Union to take full responsibility for its implementation. As the leading role of the World Bank for Working Table Two is an appropriate choice⁵⁸, NATO is not the leading organization for the Working Table Three⁵⁹, in spite of the large presence of the North Atlantic Alliance throughout the western part of the Peninsula. It was a decision taken by the EU and the U.S. in order to obtain the cooperation of the Russian government, which was very important for a long-term solution in the Balkan Peninsula⁶⁰.

As the two initiatives, the Stability Pact and the Stabilization and the Association Process, have the same object, i.e. the development of the Western Balkans and bringing the states of the region closer to Europe, this raises an important problem - the harmonization of these two policies. If we go through the founding instruments of the Stability Pact, we will find the promise of EU integration. It is renewed in the 1999 Progress Report of the EU, in 2000 and even in 2002. This stand links permanently the process of regional security and stability in the Western Balkans to the process of EU enlargement. However, the EU took the necessary precautions to connect the European

⁵⁶ Stability Pact: 1999, 2000, 2001

⁵⁷ The Regional Table is the "general assembly" of all the Stability Pact partner countries and institutions. It is also the highest decision taking body of the Pact.

⁵⁸ *World Bank Trade and Transport Facilitation in Southeast Europe Project*, World Bank, 29 March 2000.

⁵⁹ Stability Pact, 1999.

⁶⁰ NATO's air campaign during the Kosovo conflict aroused intense opposition across the entire political spectrum in Russia. It also posed a serious dilemma for Moscow: how to oppose NATO's military action without provoking a confrontation with the U.S. and NATO Europe. Russia wanted to bring about a halt to NATO military action and have the alliance accept the principle that out-of-area military operations require U.N. approval. Moscow tried to use the Kosovo conflict to divide and weaken NATO and to strengthen its own ties with China on an anti-U.S. basis. Russia also tried to use the conflict to demonstrate that it too is an "indispensable" world power. Seizing the airport of Pristina may have been aimed at exerting pressure on NATO to agree to Russian terms for participation in KFOR. At the end Russia softened his behavior and cooperated with the U.S. and NATO (Gallis, P. E, *Kosovo: Lessons Learned from, Operation Allied Force*, CRS Report for Congress, Foreign Affairs, Defense, and Trade Division, p. 14, 19 November 1999).

perspective for the Western Balkans with the Copenhagen Criteria. Thus, conditionality became the main principle for the “pre-pre-accession” of the Western Balkans⁶¹.

When the Stability Pact was launched, the European Commission remodeled the policy of the regional cooperation to the Stabilization and Association Process, but there is not any clear connection between the Stability Pact and the Stabilization process, despite the fact that the instruments of the Stability Pacts contains the expression “The Stability Pact is complementary to the SAP (Stabilization and Association Process) and the accession process.” (The integrating policy through the Stabilization and Association process is based on conditions, and the multilateral cooperation among the Balkan countries is one of the main conditions of this process.) Nevertheless, the negotiations for the Stabilization and Association Agreements will be opened bilaterally. The European Parliament will recommend to the European Commission the state which fulfills the basic criteria of political stability, good neighborly relations and economic reform (The three first Western Balkan countries to open the negotiations for the Stabilization and Association Agreements are Albania, Croatia⁶² and Macedonia. The EU signed the first SAA agreement with Macedonia in April 2001, with Croatia in October 2001, and with Albania late January 2003). In regard to this logic, reform assistance and closer relations will be granted to countries that have already managed to fulfill the basic criteria, while the countries which are behind in the reform process or which exhibit “Stabilization deficits” will not be qualified for the conditional EU offers.

The Stabilization or the pre-accession process creates new difficulties among the countries of the region. It deepens the gap between the advanced and the less advanced, the stabilized and the “problematic” countries, increasing the frontiers between the poor and the rich, the secure and the insecure countries, undermining the regional cooperation and accentuating the Balkan differences, which may generate new tensions in the

⁶¹ CARDS, p. 4.

⁶² The Republic of Croatia submitted an application for EU membership, on the basis of Article 49 of the Treaty on the European Union, on 21 February 2003. The application will be dealt with according to the rules laid down in the Treaty on the European Union. The first step would be for the Council to ask the Commission to prepare a preliminary opinion on the question of whether and when accession negotiations should be started.

region⁶³. The European institutions or the decision makers might enhance appropriate opportunities and defuse the present and the potential tensions of the region. The EU granted membership candidacy to Romania and Bulgaria, though both countries had fulfilled neither the minimum political nor the economic preconditions for the qualification. Nowadays both countries, especially Bulgaria, are progressing⁶⁴.

The intervention of the North Atlantic Alliance in Kosova constrained the European Commission to grant EU membership candidacy to six other countries: the Helsinki six⁶⁵. It was a political decision to avoid other tensions and to secure peace and democracy, the rule of law, and economic improvement throughout Europe. Thus, a political decision of the European Council to support a quick integration process over quality and economic conditions, giving the priority to stability and defusing the possible tensions, would be the shorter way to integrate the Western Balkans and to get rid of the “powder keg” ready to explode time and again.

B. THE NEW ROAD

The new road for the Western Balkans was drafted and strongly supported by Germany, Austria and the United Kingdom. These EU member countries, for political reasons, proposed full EU membership for Albania, Bosnia-Herzegovina, Croatia, Kosova, Macedonia and the FRY (Serbia and Montenegro) with the condition that democratic and economic reforms be undertaken. However, some of the EU countries did not endorse this proposal.

France, Italy, Luxembourg and the EU Commission opposed the German proposal, especially France. Paris feared that an improvement of relations with Macedonia and Albania could have a strong impact on Romania. France considered EU membership of the Western Balkans countries an unrealistic alternative. The French government was against a reference in the Stability Pact to Article 49 of the Amsterdam

⁶³ WB, March 2000 and *The Road to Stability and Prosperity in Southeastern Europe, A regional Strategy Paper*, World Bank, 1 March 2000.

⁶⁴ *EU Action in support of the Stability Pact and South-Eastern Europe*, Brussels, December, 1999; EC, *Progress Reports on Romania's EU Accession*, Brussels, 8 November 2000 and EC, *Progress Reports on Bulgaria's EU Accession*, Brussels, 8 November 2000.

⁶⁵ The Helsinki Six are a group of six EU candidate countries, namely Bulgaria (application date: December of 1995), Latvia (application date: October 1995), Lithuania (application date: December of 1995), Malta (application date; July 1990), Romania (application date: June 1995) and Slovakia (application date: June 1995).

Treaty, since this would give the impression of a direct invitation to apply for EU membership⁶⁶.

For quite different motives, even Spain and Portugal did not favor EU membership for the Western Balkans. These countries do not have any political interest in the region, but they were concerned about losing the EU financial assistance, which would be given to the new future members at their expenses. At the Council meeting in Brussels on 17 May 1999 a compromise was reached in a document called “Common Position”⁶⁷.

Since that date, the Western Balkans have been engaged in this new policy, and all the region’s states have progressed despite what they inherited from the past and despite the collapse of their economies from the conflict. All Western Balkans countries are seriously committed to achieve the requirements of the Stabilization and Association process and, according to the latest report of the EU⁶⁸, stability has been restored and security has improved throughout the region. The reforms aiming at improving the economy and the social life of the region are proceeding in many sectors, a considerable number of refugees and displaced persons have returned home and the work to heal the wounds of the ten-year war has started throughout the region. But corruption and organized crime remain high in all the countries of the region.

The government of each Western Balkan state is democratically elected. The new regional political parties and their leaders have understood that democracy produces ‘winners’ and ‘losers’, and they accept their status because democracy will give them other opportunities to try again to win. The political reform is pointing out every day that the democratic institutions of the state, under certain conditions and from time to time in the competition of interests and values, will offer to the political forces of each country other possibilities to realize their interests, which is sufficient to motivate them to comply

⁶⁶ Article 49 of the Treaty on the European Union (1997) goes as follows: "Any European State which respects the principles set out in Article 6 (1) may apply to become a member of the Union. [...] The conditions of admission and the adjustment to the Treaties on which the Union is founded which such admission entails shall be the subject of an agreement between the Member States and the Applicant State."

⁶⁷Council of the European Union, “Common Position of the Council concerning a stability Pact for Southeastern Europe,” *Official Journal of the European Communities*, L133, 1-2, 17 May 1999.

⁶⁸*Second Annual Report of the Stabilization and Association process for Southeast Europe*, Commission of the European Communities, Brussels, March 2003.

with the undesirable result and to respect the rule of law⁶⁹. This process is building the confidence that even the 'losers' under democracy are better off than in a future under nondemocratic alternatives. On the other hand this process goes beyond that. It makes clear that elections are an important part of the treatment for what ails a country, but they are neither an overnight nor a guaranteed cure. They are not sufficient by themselves to guarantee that democracy becomes a permanent condition of national life. In some cases, such as in the latest elections of BiH, they became a vehicle to power of nationalist and separatist politicians and political parties.

On 5 October 2002, in BiH ethnic-based parties won. Their victory may aggravate the divisions in BiH and may make the European progress more difficult, but the democratic process is still better than any alternative⁷⁰. If leaders with popular support are not given opportunities at the ballot box, they may well resort, once again, to bullets. As H. L. Mencken put it, in one of his less dyspeptic comments on the subject, "The cure for the evils of democracy is more democracy." No society can easily or quickly transform the way it governs itself. Tearing down the communist past is much easier than building strong democratic institutions in the Western Balkans⁷¹.

Albania, after the turmoil caused by the fall of the financial schemes in 1997, has steadily advanced to improve the overall political and economic situation and to consolidate the rule of law and order. It is succeeding in reforming the economic and social life, and in opening the country to the region and to the EU. The stable political situation in Albania and the democratic conduct of the political forces opened the road to the negotiation of a Stabilization and Association Agreement with the EU at the end of January 2003.

⁶⁹ Perzeworski, A., *Sustainable Democracy*, pp 19-33, Cambridge: Cambridge University Press, 1995.

⁷⁰ Since the conclusion of GFAP, BiH has had numerous elections organized and supervised and run by the OSCE: general elections in 1996, 1998, 2000 and 2002; municipal elections in 1997 and 2000 and special elections for the RS National Assembly in 1997. The new election law is adopted and there is a permanent Election Commission (Annex 3, of GFAP). Although Nationalists scored a clean sweep of Bosnia's tripartite presidency in the elections of 5 October 2002, their showings can by no means be described as triumphs. The low turn out of 55% (a drop of 10% from the last elections) indicates the voters want their elected officials to get on with the business of establishing an effective government that improves the economy, social services, and quality of life. The lack of a clear winner by the nationalist parties in the race for Bosnia's central parliament and for the assemblies of the country's two autonomous halves (the Muslim-Croat Federation and the Serbs' Republika Srpska) will require the nationalists to form a coalition with the moderate parties leading to a more reformist government.

Bosnia and Herzegovina is trying to surmount the legacy of a bloody civil war, is proceeding with reforms, and is making efforts to strengthen the efficiency of the government⁷². The Road Map compiled by the European Union purposely to get BiH closer to EU is substantially complete and the European Commission will prepare a feasibility study on Bosnia and Herzegovina in order to negotiate and conclude, even with this country, a Stabilization and Association Agreement⁷³.

Croatia is the most developed country of the region. It opened the negotiations in December 2001 and from that date on has implemented a plan to fulfill the requirement of the Stabilization and Association Agreements at an accelerated speed. This Western Balkans country is looking forward to its EU membership.

The new state of Macedonia was proceeding until the crisis of 2001. On 9 April 2001 Macedonia was invited to enter the Stabilization and Association process without fulfilling the conditions required at the end of the first phase. It was a rapid decision for political purposes: to encourage the government of Macedonia to take the necessary political steps to defuse the ethnic tensions and to resolve the conflict peacefully⁷⁴. After the agreement of Ohrid⁷⁵ and the early elections, Macedonia is trying to find compromise solutions⁷⁶. The Stabilization process is advancing.

⁷¹ Talbot, S., "Democracy and the National Interest," *Foreign Affairs*, No 6, 1996.

⁷² Dayton established BiH as a highly decentralized state. Dayton gave extensive powers to two new entities, the Republika Srpska and the Federation of Bosnia and Herzegovina and only limited and specific powers to BiH's common institutions. The Entities enjoy wide powers, but are characterized by asymmetric structures. RS is centralized, FBiH decentralized. RS is divided into municipalities, but most powers are centralized in Banja Luka. The highly decentralized structure of the BiH State coupled with persistent ethnic polarization has often blocked effective government. Calls to "re-open Dayton" have (justifiably) been treated with caution, but the international community has repeatedly urged the Entities to "build on Dayton." RS have resisted such calls [Dayton Accords].

⁷³ The Road Map includes economic steps, such as to abolish payment bureaux, establish a state treasury, implement foreign direct investment legislation and adopt restitution legislation, which are completed; remove all trade barriers between the entities, establish a single BiH national institute for standards and adopt law on competition and consumer protection, which are in progress (Second annual report ...).

⁷⁴ Patten, Ch.: Southeast Europe Cooperation Process (SEEC), Skopje, 23 February 2000.

⁷⁵ On 8 August 2001 in Ohrid, the leaders of the Republic of Macedonia's main political parties, that since 13 May 2001 had formed a shaky 'National Unity Government', reached an agreement aimed at ending the violent conflict within the country.

⁷⁶ Lubco Georgievski, the chairman of the opposition party VMRO-DPMNE and former Prime Minister of Macedonia (until September 2002), publicly stated his plan to divide Macedonia according to ethnic lines in late April of this year. Macedonian Prime Minister Cervenkovski, and the EU and U.S. representatives in Skopje strongly reacted against Georgievski's proposal, calling it terribly unacceptable scenarios. The Albanian government supports the Macedonian government against the secessionist ideas of Macedonian

Serbia and Montenegro have demonstrated determination to make a break with their past and engage in a process of political and socioeconomic transition. On 14 March 2002 they realized a loose federation, committing themselves to necessary constitutional restructuring and regional relations. The assassination of Prime Minister Zoran Djindjic was a dark sign for Serbia, for the region and democratic progress, but the Serbian government handled the situation quietly. The European Commission and its leaders are treating very carefully Serbia and Montenegro, granting them the most assistance they possibly can, and the date to open the negotiations for a Stabilization and Association Agreement with Serbia and Montenegro is not far away.

Kosova is still under the administration of the UN (UNMIC) and UN resolution 1244. The political parties and the government that emerged from the central elections of 2001⁷⁷ are working to reach the standards before the final status.

In 2002, the economic⁷⁸ growth of the Western Balkans was close to 4% (the growth of the world economy was about 2.5%). However, unemployment is notably high, ranging from about 15% in Albania to 40% in BiH. Inflation declined at 6%. Only in the federation of Serbia and Montenegro does the inflation rate have double figures, but it is declining quickly.

The economic growth of the region shows a sustained increase in the productive capacity of the economy of the Western Balkans, and it also underlies a slight rise in the standard of living. After the ten-year war, this growth means an increase in the inputs to production, and an increase in the efficiency of use of a given quality of inputs. Modestly speaking, these two elements may be considered as quantity versus quality-driven growth, which may be understood as first, we have an increase in capital and labor in the

nationalist politicians, rejecting them as regressive and pointing out that the integrity of Macedonia is very important for the stability in the region.

The EU and the U.S. stated that they don't see any other solution but the implementation of the Ohrid agreement and invited all political forces to join the government in its effort on the road to European integration and regional cooperation.

⁷⁷ The OSCE Mission in Kosova has organized and supervised the municipal elections of 2000 and 2002 and the central elections of 2002, which have been qualified as free and fair by local and international observers. This year, the OSCE's Department of Elections will face a different challenge, the handover of responsibilities to local institutions.

⁷⁸ It should be recalled that the reliability of statistics from the region is generally poor. Because of the grey market, growth rates, levels of unemployment and other economic data should thus be interpreted cautiously.

region, and second, the economy of the Western Balkans makes more efficient use of a given level of inputs.

In all the countries of the Western Balkans the fiscal situation is improved, apart from Serbia and Montenegro, but it still remains vulnerable. The general deficit is about 6% of GDP in 2002, so to reduce dependence on external financing and expenditure, the Western Balkans should strengthen control and increase tax collection.

From the early nineties the Western Balkans demolished the centralized economy and adopted market economy reforms, but structural reforms are still needed to turn the region into fully functioning market economies. As far as privatization is concerned, all the countries are making progress, with Albania in the lead. The privatization and structuring of small and medium sized enterprises is proceeding quite well, while the privatization and restructuring of large enterprises is still slow. In this regard, the loose federation of Serbia and Montenegro and Macedonia are doing well. The banking system is also progressing and the necessary confidence is increasing, but its support for the reconstruction of the region is not sufficient, the lending system still not strong enough, not strong enough to assist the small and medium sized enterprises, which represent the fundamental elements of the Western Balkans economy. The present situation calls for the governments of the region to take responsible steps to improve their institutional and financial environment according to the European Charter for Small Enterprises.

Despite the global economic downturn, trade continued to grow in the region (imports increased 17%, exports, 13%). The major trade partner of the Western Balkans is the EU and it represents almost 55% of the Western Balkans' total trade. The trade range of the countries varies from some 45% for Macedonia and BiH to about 80% for Albania. Nevertheless, the Western Balkans exports to the EU are low, about 0.5% of total EU imports. The imports of the region double its exports increasing its trade deficits (from 20% of GDP in Serbia and Montenegro to about 45% of GDP in BiH). However, the inflow of private remittances, official transfers and a positive balance of trade in services has decreased the regional deficit to about 7% of GDP [all the figures used are taken from the 2002 report of the European Commission].

The conclusion and implementation of free trade agreements between the countries of the Western Balkans will remove all trade barriers, and the economists and the politicians of the region believe that completely unrestricted commerce without export and import duties, quantitative restrictions, and regulations that are clearly designed to reduce or prevent such trade, will enable the economies of the region.

After a decade of transition and war, the freedom of movement for people, goods and services, money and information is introducing the Western Balkans to the globalization process. This has been exceptionally difficult for all the peoples of this region. At this first step almost all the countries of the region are facing great difficulties, but they understand that globalization is not just a phenomenon and not just a passing trend. It is the international system that replaced the Cold War system to which the Western Balkans belonged, and it has one overarching feature: integration [Friedman, p. 8]. As a matter of fact, all Western Balkans actors decided to cooperate in order to reach their future European goals⁷⁹.

Many scholars find that open economies grow faster and are the main distinguishing characteristic of most successful developing economies. Economies, like the Western Balkans, that have open and large neighbors grow faster, but the size of closed neighboring economies is of no account, and economies that have open and developed neighbors also grow faster, but again the level of development of closed neighboring economies is not important. One key finding is that Western Balkans countries may benefit from being located close to the large, developed open European economies⁸⁰. On the other hand, Albania and Croatia are members of the WTO. In 2002 Macedonia completed its WTO accession negotiations, while BiH and Serbia and Montenegro started theirs. But the countries of the region need to improve their

⁷⁹ According to a recent World Bank report, the beneficiaries are the more globalized developing countries, 5% growth rate, and the industrialized world, 2% growth rate. The losers were the less globalized developing countries. The UNCTAD World Investment Report 2001 shows that by far most inward FDI (over \$1 trillion or more than three quarters in the year 2000) has been placed in industrialized countries. Cross-border mergers and acquisitions remain the main stimulus behind FDI, and these are still concentrated in the developed countries. In the same year \$240 billion were invested in developing countries. Only 2% (\$27 billion) were directed to Central and Eastern Europe (Skocpol, Th., *Bringing the state back in*, Cambridge; New York, Cambridge University Press, 1985)

⁸⁰ Schiff, M. and Winters, A.L., "Dynamics and Politics in Regional Integration Arrangements," *The World Bank Economic Review*, v. 12, No. 2, pp. 177-196, May 1998.

infrastructure, customs and institutional capacity in order to fully profit from trade liberalization in the framework of the WTO.

In 2002, foreign direct investments (FDI)⁸¹ in the region were about €2.2 billion, almost 4.5% of the Western Balkan's GDP (€90 in per capita terms). Croatia has taken half of the FDI-s to the region (€230 per capita). In comparison, the inflow of FDI to the ten candidate countries to join the EU in 2004⁸² was equal to about 5% of their GDP (€250 per capita in 2001). As a matter of fact, FDI is not enough to finance the Western Balkans countries' deficits (apart from Croatia). However, experience shows that to attract FDI, political stability and democracy, the rule of law, a developed infrastructure, an educated workforce, business culture, and geographical location are more important than fiscal benefits and cheap labor. Nevertheless, the transnationality index⁸³ shows that even the countries of the Western Balkans are moving ahead, leaving behind other parts of Europe: Czech Republic – 18 (member of the EU in 2004), Croatia – 13 (Western Balkans), Lithuania – 12 (member of the EU in 2004), Slovenia – 7 (member of the EU in 2004), Serbia and Montenegro – 5 (Western Balkans), Macedonia 5 (Western Balkans), Albania – 5 (Western Balkans), Russia--5, Belarus 3, BiH – 2 (Western Balkans)⁸⁴. As shown before, several macroeconomic indicators of the present Western Balkans economy are gradually progressing. Growth is sustained, inflation is being brought under control and trade is increasing.

C. A STRATEGIC OPTION

Since the EU has opened a long-term accession perspective for the countries of the Western Balkans, scholars, specialists, politicians, and decision makers have

⁸¹ Foreign direct investment is a key ingredient in economic growth. It can impact the host economy through a variety of channels: by adding to investable resources and capital formation; by transferring technology, skills, innovative capacity, and organizational and managerial practices between countries; and by accessing international marketing networks. Still, these positive effects may vary in their magnitude depending on the quality of the business environment in the host economy and the characteristics of the multinational company. Researchers have focused on measuring these effects and finding ways to maximize the beneficial aspects.

⁸² The ten new EU members are Poland, Czech Republic, Slovakia, Hungary, Slovenia, Lithuania, Latvia, Estonia, Malta, and Cyprus (only the Greek part, the two thirds of the island).

⁸³ The transnationality index is defined as the average of FDI inflows as percentage of gross fixed capital formation, FDI inward stock as percentage of GDP, value added of foreign affiliates as percentage of GDP, and employment of foreign affiliates as percentage of total employment.

⁸⁴ Temsch, R., *Global information society and its Impact on the Economy of South-East Europe*, OSCE/CSS Seminar, "Economic Aspects of Security", 13 September 2002.

understood that some form of inclusion of the region in the EU enlargement process is the most promising and cost-effective way of defusing tensions and promoting security, stability and prosperity, both for the region and for Europe as a whole.

However, the present accession procedure is long, complicated and drawn out with ample scope for difficulties to arise and for individual member states and EU institutions to delay or even sabotage the process⁸⁵. In order to be acceptable as members, applicant countries have to fulfill a number of criteria, including the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities. They must adopt the *acquis communautaire* – the existing rules, regulations and agreements of the EU. They must have functioning market economies as well as the capacity to cope with the competitive pressures and market forces within the EU. They must have adequate legal and administrative systems in the public and private sectors. They must have the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union; i.e., new members are required to subscribe to the emerging *acquis politique*, that is, the developing common foreign and defense policy, and to the *finalité politique*, the long term objective of the EU. Only one of these requirements was laid down in the Treaty of Rome – that new members should be ‘European’. Other criteria ‘evolved’ during the course of the first EU enlargement⁸⁶.

Taking into account the region’s unequal capabilities, the financial burden of reconstruction and stabilization as well as the potentially counter-productive effects of EU initiatives for the region, several experts and research institutes believe that the problems of the Western Balkans can be better solved by including all countries of the region in the same process of EU enlargement. This idea, expressed in different forms, requires a quick solution for the difficult situation of the region. This policy is based on the economic strength of the EU and the very small economic proportions of the Western Balkans, which have not caused any problem so far (The Western Balkans GDP equals

⁸⁵ The most notorious case is the behavior of France towards Britain, which vetoed the British application during the 1960s but, equally, it was France to support Greece in the 1970s and make of this country a member of the EU in 1981 without reaching the EU standards.

⁸⁶ Copenhagen Criteria, 1993 and Croft, S., Redmond, J., Wyn Rees, G., and Webber, M., *The Enlargement of Europe*, p. 61-62, Manchester University Press, 1999.

some €50 billion, and the average per capita income in the region equals €2000. Croatia is the largest economy with a GDP of some €23 billion). The real economic burden for the EU of an accelerated economic integration of the Western Balkans would be very small. It would be quite small compared with the expenses foreseen for the region through the Stability Pact, Stabilization and Association Process, and CARDS program. The overall bilateral and multilateral assistance to Southeastern Europe (which includes Romania and Bulgaria) amounted to approximately € 6 billion in 1999, more than the € 6.6 billion in both 2000 and in 2001⁸⁷.

These proposals have in common a priority for economic rather than political or civil-society incentives and a preference for European solutions over bilateral support for reform efforts or intraregional cooperation.

Partial membership would introduce a model of enlargement “light” for the Western Balkans if the EU accepted compromises in the adoption of the *acquis*⁸⁸ and if the countries of the region gave up some of the principal rights of full membership. EU accession does not provide any instant solution to all Western Balkans problems and, in particular, does not, in itself, guarantee economic success. However, EU membership offers a chance to attract the foreign investment and EU financial aid desperately needed⁸⁹ to generate economic development and enhanced growth. In so doing, the whole region could move quite soon to free trade, to a customs union, to a currency dependent on the Euro, and eventually to the Euro currency⁹⁰. As a matter of fact, the quick partial integration of the region in the EU (for example, in the next round of enlargement) would have a number of obvious advantages; but the Union, before taking this decision, should modify the Copenhagen Criteria.

In establishing the market mechanism, the legal and institutional basic structures for private investments (especially in the FRY, Bosnia and Kosova), partial integration would prevent the Western Balkan economy from depending on state subventions or international assistance. It would prevent the weak governments of the region from

⁸⁷ European Commission, CARDS, p. 11-41.

⁸⁸ *Milestones in the Relations between the EU and the former Yugoslav Republic of Macedonia*, European Union External Relations, Brussels, June 2001.

⁸⁹ The European assistance is decreasing year by year.

⁹⁰ Stability Pact Infrastructure projects: Implementation Status as of October 2000, 18 October 2000.

abandoning or slowing down the program of reforms (the assassination of the Serbian Prime Minister, Zoran Djindjic is a strong push in that direction). Partial integration would have a strong positive impact on the intraregional trade and on bilateral relations with the EU because the borders would be open for free movement for people and goods⁹¹.

In 2004 the ten newcomers will have a strong impact on the three most sensitive issues of the EU: institutional, financial and policy issues. First, the new ten will affect the size of the Commission and the Parliament and will affect the voting system for the Council of Ministers, because of the uneasy balance of representation in those institutions⁹². Efficiency dictates that the European Commission should not grow beyond a certain size and that it is already too big⁹³. On the other hand, the European Parliament will increase from 646 (max 700) seats to 1,000⁹⁴, and the Council of Ministers, the most powerful institution of the EU, the decision maker, will have twenty-five ministers. The implications of a Council of twenty-five ministers are always a source of concern⁹⁵. However, the partial integration of the Western Balkans would not have any effect on the three institutions, namely the Commission, the Parliament and the Council of Ministers, because the partial members could have an observer status.

Second, all the ten new members will be net beneficiaries from the EU budget. Moreover, while they may well receive a disproportionately high share of EU expenditures in virtually all policy areas, they will receive most of their funds via the CAP (Common Agricultural Policy) and the EUs structural funds, which account for 50

⁹¹ Fichler, F., *The EU Enlargement: Our Partnership in Agriculture, International Ministerial Conference of the Central and Eastern European Countries*, Brussels, 30 April 2000.

⁹² The institutional reform which started at Amsterdam remains an ongoing and highly contentious question.

⁹³ The enlargement creates difficulties in the balance of portfolios, the directorates general, and new staff from the acceding countries (the absorption of new recruits is not an easy task when they lack experience in dealing with EU affairs).

⁹⁴ At the present time, a German Member of the European Parliament is elected by over thirteen times the number of voters (800,000) than a Member of the European Parliament from Luxembourg (60,000).

⁹⁵ When the Council makes decisions by qualified majority, votes are presently weighted as follows: Germany, France, Italy, United Kingdom: 10 votes; Spain: 8 votes; Belgium, Greece, Netherlands, Portugal: 5 votes; Austria and Sweden: 4 votes; Denmark, Finland, Ireland: 3 votes; and Luxembourg: 2 votes. In qualified majority voting, Commission proposals must receive 62 votes out of a total of 87 in order to be approved. To amend a Commission proposal without the Commission's consent, unanimity among Council members is required. Prospective votes will be: Poland 8, Czech Republic 5, Slovakia 3, Hungary 5, Slovenia 3, Bulgaria 4, Romania 7, Lithuania 3, Latvia 2, Estonia 2, Malta 2, Cyprus 2.

per cent and 30 per cent, respectively, of the EU's budget (CAP budget for 2003 is € 44.78 billion out of € 99.685) because the new members are notably dependent on agriculture. In this context the newcomers may oppose any further quick enlargement because they would not want to receive less. However, the Western Balkans' share won't be so much as to be a big concern. The EU budget for 2003 totals € 99.685 billion in commitment appropriations and € 97.503 billion in payment appropriations. The Cooperation with the Western Balkan countries is almost € 684,560,000 or 0.686% of member states' GNI. [Bulletin EU 12-2002, Budgets (2/12)].

Third, as far as it concerns the third old policy issue 'widening versus deepening' dilemma, which goes back at least as far as the first EU summit at the Hague in 1969, partial membership of the Western Balkans won't cause serious problems. Partial membership cannot create any potential conflict in the practical effects of the EU's institutions. It may not impose strains on particular aspects of EU policy, because all the countries of the Western Balkans will have an observer status⁹⁶.

Therefore, it would not have any impact on the decision-making and the working relationships of the EU member states, but it could raise a lot of objections because it would totally change the principle of enlargement and would disregard the conditionality posed for the Luxembourg Six⁹⁷ and the Helsinki Six. It might place into question the process of enlargement as a whole, and, from this perspective, it might cause problems; but the bottom line is that it would be less expensive, and it would defuse tensions throughout the Balkans, and the "powder keg" of Europe would cease to exist.

⁹⁶ Croft, S., Redmond, J., Wyn Rees, G., and Webber, M., *The enlargement of Europe*, pp 68-78, Manchester University Press, 1999.

⁹⁷ The so-called Luxembourg Six are six EU candidate countries: Cyprus (application date: July 1990), the Czech Republic (application date: 1996), Estonia (application date: November 1995), Hungary (application date: March 1994), Poland (application date: April 1994), and Slovenia (application date: 1996).

IV. A QUICK ADMISSION INTO THE EUROPEAN UNION OF THE WESTERN BALKANS

A. A NEW INTEGRATION POLICY FOR THE WESTERN BALKANS

The integration policy, which would grant to individual states or to the whole region of the Western Balkans an observer status in the European Union institutions, might be based on the present European initiatives for the states of the region and on the Common Foreign and Security Policy of the EU. It would further help and commit individual Western Balkan countries in their preparation for EU integration. It could group other initiatives and forms of cooperation around the Stabilization and Association Agreements, and would further contribute to the realization of the Stability Pact. It would extend the European Economic Area, trade facilitation, free trade agreements (similar to those of the member or candidate states) and introduce the EURO throughout the Western Balkans⁹⁸.

Some of the above elements, especially the ones concerning trade, could be implemented throughout the region, thereby enhancing regional cooperation between EU candidate states (Slovenia, Rumania, and Bulgaria) and the Western Balkans. Thus, this different integrating policy would not damage the conditionality of the EU pre-accession process. This different model would speed the integration process in the Western Balkans, creating real prospects for both political and economic success. At the same time this policy would be able to manage the expectations and the apprehensions that have emerged in different Balkan states.

The European Commission provided a new policy for the Western Balkans (approved by the Amsterdam Treaty): A Common Strategy for the Western Balkans, but there are rumors in Europe that the Stability Pact prevented the realization of such a strategy.

As noted above, the policy of ‘partial integration’ or ‘observer status’ is not against the previous initiatives but it reorganizes the Stability Pact, the Stabilization and Association Process, the CARDS-program, the Europe-Agreements and Accession

⁹⁸ Patten, Ch., *Southeast Europe Cooperation Process (SEECP)*, Skopje, 23 February 2000 and Patten, Ch., *Southeastern Europe Regional Funding*, Brussels, 30 March 2000.

Partnerships creating a new framework and a clear picture for the conditions and steps of each phase⁹⁹.

The Stability Pact is an intergovernmental policy, but this new model, aiming to underpin a Common Strategy, is based on another simple fact: the Common Foreign and Security Policy of the EU, the Stability Pact itself, the Enlargement, Development, Trade and Humanitarian Aid which are operating in the region. From this perspective, this integration policy for the Western Balkans involves the EU as a whole in regard to other organizations concerned. This strategy brings together the policies of the Stability Pact, which are bound for regional cooperation and the Stabilization and Association process, which is oriented towards conditionality and bilateral negotiations, focusing on concrete options and policy areas. The coordination of both initiatives may outline a functional cooperation program for the EU institutions, other organizations and for the governments of the Western Balkans¹⁰⁰.

The main opposition could come from the ten new comers from Eastern Europe (including Bulgaria and Rumania, although foreseen for 2006). They represent a large population and territory - some 105 million people within an area of 1.1 million square kilometers, or 28 per cent of the current EU population and 33 per cent of its present area - and the economy of the largest countries is notably based on agriculture. The accession of the ten countries will increase total agricultural land by 50 per cent and the EU's farm labor force would double in size¹⁰¹. As a matter of fact, estimates have varied widely, ranging as low as EUR 10 billion for all ten candidates to as high as EUR 35-40 billion per year just to bring Poland, Hungary, the Czech Republic and Slovakia into the EU.

The partial accession of the Western Balkans may decrease the funds they get from the CAP, which is a system of set agricultural prices and subsidies created to respond to European market instability and deficiencies as well as the political power that

⁹⁹ European Commission: Federal Republic of Yugoslavia, Country Strategy Paper 2002-2006, Brussels, 2002 and Wolfensohn, J.: Southeastern Europe Regional Funding, Brussels, March 30, 2000.

¹⁰⁰ European Commission: CARDS Assistance Program to the Western Balkans, Regional Strategy Paper 2002-2006, p. 6-15, Brussels, 2002.

¹⁰¹ Agenda 2000: Summary and Conclusions of the Opinions of Commission Concerning the Applications for Membership to the European Union Presented by the Candidate Countries, vol. I, p. 29, Strasbourg, July 1997.

agriculture and farmers command in Europe¹⁰². This situation leads to the conclusion that some kind of major reform of the CAP is inevitable¹⁰³. Due to the successful policies in developing and protecting European agriculture, the CAP has become a highly institutionalized program, resistant to change and reform despite the agricultural market distortion, overproduction and increasing costs that it eventually generated and now sustains. But it seems not to resist to the new round of enlargement and it got to change.

While the CAP and the debates surrounding it are well known, the other major source of opposition could be generated by the cohesion and structural funds (CSF), which emerged out of the Single European Act of 1987 and the Maastricht Treaty of 1993. However, within the domestic context of the EU the CSF are equally controversial, resulting from the amount of funds spent in this area and questions about how effective this category of support has been. The new enlargement will affect the CSF in a number of different ways.

The primary goal of the CSF is to help bring less developed regions of the EU up to the Union standard. The structural funds are the much larger category than the cohesion one (The 2003 budget allocates some EUR 34 billion for both categories and some EUR 2,839 billion out of 34 go to the cohesion funds). The structural funds concentrate on such areas as industrial decline, low population density and rural areas, high unemployment, infrastructure, education, integration of youth into the labor market and the retraining of workers, while the cohesion are foreseen for environmental and transportation projects. The CAP and the CSF are considered as the essential element of the European integration.

According to the EU statistics, over 60 per cent of the structural funds are targeted at specific geographical regions at the sub state level in a structural fund category known as Objective 1 (this category allocates some EUR 21,577 billion for 2003). Under the current system, to qualify for Objective 1 funding the regional GDP must be less than 75 per cent of the EU average over the previous three years¹⁰⁴. Within this framework, a

¹⁰² Grant, W., For a recent overview of the CAP, *The Common Agricultural Policy*, New York, St. Martin's Press, 1997 and Fennell, R., *The CAP of the EC*, Oxford, Basil Blackwell, 1987.

¹⁰³ Oldag, A., Bonn Brakes EU Agricultural Reform, p. 33, *Siiddeutsche Zeitung*, 31 October-2 November 1997, and FBIS-WEU-97, 31 October 1997.

¹⁰⁴ "Financing Community Activities, Resource Management Budgets," *Bulletin EU 7/8-2002*, Budgets

number of countries are eligible for CSF support: Greece, Ireland and Portugal qualify at the national level for Objective 1 funds, while specific regions qualify in Austria, Belgium, France, Italy, Germany, the Netherlands, Spain and the United Kingdom. The present CSF's supports half of the EU's population, which is currently eligible for assistance under the CSF. In this context, it creates strong local support and would prevent the reform of these funds¹⁰⁵. This opposition would endanger the policy of the quick inclusion of the Western Balkans in the good family they belong or they believe to belong. On the other hand both the CAP and the CSF have been criticized by some as largely ineffective in stimulating development, as inefficient and as prone to fraud¹⁰⁶.

The enlargement with new ten members will change dramatically the circulation of the CSF because these funds are allotted on the basis of a region's GDP relative to the EU standard, and all the new comers are eligible to CSF. According to calculations based on EU data, the accession of the Czech Republic, Estonia, Hungary, Poland and Slovenia would lower the EU per capita GDP (in Purchasing Power Parity) to approximately EUR 15,736 from its current average of 17,260; inclusion of all ten eastern European applicants would lower the average further to just over EUR 14,727. At either level, it can be estimated that many of the current regions and the nations that benefit from Objective 1 funding would lose much or all of their support even upon the first wave of accession, with further losses upon the subsequent entry of other members. For example, some studies have noted that upon accession of all ten eastern European states virtually all Spanish regions currently supported by these funds would likely lose their subsidies, as would France's overseas departments and Corsica¹⁰⁷. Others have anticipated that Belgium, Northern Ireland and even eastern Germany will lose their Objective 1 benefits upon the first wave of accession¹⁰⁸. Cohesion funds, which currently are available only to states with a GNP of less than 90 per cent of the EU average (Ireland, Greece, Portugal

(1/9).

¹⁰⁵ "A Major Step Forward," *Dagens Nyheter*, p. A2, 3 October 1996 and *FBIS-WEU -96-194*, 7 October 1996.

¹⁰⁶ *Do We Need a New EU Budget Deal?* pp. 51-4, (Philip Morris Institute for Public Policy).

¹⁰⁷ Kocsis, G., "Europai Rendek, Study Assesses Impact of EU Enlargement on French Economy," p. 3, *Les Echos*, 12 March 1997, and *FBIS-WEU*, 28 March 1997.

¹⁰⁸ Smyth, P., "Program of Reforms Initiated to Meet Challenge," *Irish Times*, 17 July 1997.

and Spain), will also be threatened¹⁰⁹. While CSF outlays are expected to rise in the future, reforms in anticipation of enlargement mean that the total percentage of the EU population eligible for such aid is expected to fall by as much as 15 per cent, only with the ten eastern, which is certain to generate widespread opposition to reform¹¹⁰. The partial integration of the Western Balkans will make worse the situation and would generate opposition.

However, the sudden and dramatic collapse of communism in eastern Europe in 1989 marked not only the end of the cold war division of Europe, but also most commonly held assumptions regarding the nature of Europe and the future of the region. The notions of a 'return to Europe' and a 'common European house' emerged as powerful concepts, particularly in the Western Balkans, where the long separation from the next door west and the bloody wars inherited from a common unpleasant past, sometimes even as a result of the unfinished political games of the great powers conflicting in the region, is typically viewed as a historical dead-end which demands correction. If we look back to the Europe's historical past, we can find amazing facts from the Western Balkans that give credit to that idea. For instance, in spring of 1457 a huge Turkish army of some 80,000 men, commanded by the famous general Isaac bey Evrenos, set out for Albania. In September of the same year George Kastriote (Skenderbeg¹¹¹) launched a sudden assault on them, routed them completely and captured thousands of prisoners, including the traitor Hamza Kastriote, his nephew¹¹². The courts of Europe congratulated the Albanian leader on his new victory (he fought against the Turks for twenty five years consequently). Pope Calixtus III showered him with praises and titles of honor. A few months later he wrote to George Kastriote: "I thank the Lord for having placed you in these lands, which might have given free passage to the cruel and treacherous enemy to march on Christendom; you, like a cannon and a powerful rampart, to keep him in

¹⁰⁹ The future of the cohesion funds is complicated by the fact that the eligibility criteria are based not on GDP, as in the case of the structural funds, but rather GNP. GNP takes into account income from foreign assets minus income paid to foreign creditors; thus GNP will be much lower in countries such as Ireland (and, presumably, eastern Europe) that have a large number of foreign firms which repatriate their profits. How enlargement would either influence EU GNP averages or expand the group of eligible states for cohesion funds is unclear [*The Economist*, pp 21-2, 17 May 1997].

¹¹⁰ *Agenda 2000*, p. 19 and *The Economist*, p. 44, 19 July 1997.

¹¹¹ This name was given to him by the Turks.

¹¹² Betrayal and intrigue are part of the bloody Western Balkans history.

check.” And he added: “Ah! If only we had many more Christian princes as valiant as you!”¹¹³. But these valiant Christian princes and peoples were left in their miserable fate and suffered their faith, culture and legacy for almost five hundred years under a terrible foreign yoke coming from foreign lands. They defended the Christendom as much as they could, but during five centuries of invasion and interminable wars and fights some of them, tired of life under the invader, lost their faith and got another one¹¹⁴.

However, the partial integration or the observer status will put to an end the concept strengthened after the Informal European Council Meeting of Athens, 16 April 2003, where the new ten signed the Treaty of Accession, that the peoples of the Western Balkans or the states are largely relegated to the status of poor relations or of ‘failed’ peoples.

B. THE WESTERN BALKANS AND THE EUROPEAN ECONOMIC AREA

In a European strategy aimed at alleviating the tensions between regionality and conditionality by means of functional differentiation, a European Economic Area¹¹⁵ might play a decisive role. In a free trade area the states of the Western Balkans will remove all barriers to trade (tariffs, quotas, or other governmental impediments to international trade), and in a customs union they would adopt uniform tariffs on goods and services from outside the union. Free trade would allow each country to specialize in the goods that it can produce cheaply and efficiently relative to the other countries of the area. Such specialization could enable all Western Balkans state to achieve higher real incomes. On the other hand, the present situation of border controls and customs tariffs perpetuate an infamous bureaucratic corruption and hamper cross-border cooperation. The abolition would be the solution, but therefore greater assistance to improve law enforcement, judiciary and border controls with training, institution building and adequate equipment is indispensable.

There is another important fact to be noticed, the one that the larger benefits potentially available are damaged by the CAP for it allows free trade in high-priced

¹¹³ Pollo, S. and Puto, A., *The History of Albania from its Origins to the Present Day*, p. 80, Routledge and Kegan Paul, 1981.

¹¹⁴ Some 65% of the Albanians living in Albania were converted to Muslims beginning from late eighteen century.

agricultural goods within the Community by excluding potential low-priced imports from outside. Community countries subsidize the domestic production of agricultural goods despite their comparative disadvantage. Consumers pay high prices as the EU collude to maintain trade-diverting tariffs on cheap imports. Thus, the CAP and the customs union show the two faces of the EU, one that enhances efficiency by promoting competition and specialization, and one that sacrifices economic efficiency to help farmers. So at the first steps of their ingress to the European Free Trade area the Western Balkans state will lose, but, on the other hand, it will be a stimulus to strengthen their economy and to find their way out. So, although free trade provides overall benefits, it will hurt some people in the region, most particularly the shareholders and employees of industries who would lose money and jobs because they would lose sales to imported goods. Some of the groups to be hurt by foreign competition would try to exert political power to obtain protection against imports, but they won't be able to delay it.

Despite the EU's Stability Pact and Stabilization and Association Process, it will take the countries of the Western Balkans decades to fulfill the economic conditions of the Copenhagen Criteria. Growing social asymmetries, economic crises and criminalization at the very border of the European Union, moreover, would pose a serious threat to the stability and prosperity of Europe as a whole¹¹⁶. Integrating the five Western Balkan states in a Free Trade Area¹¹⁷ might be an option, but it would require a strategic choice on the part of the EU. A new Southeast European Free Trade Area might be created to act as an EU partner in trade regulations and cooperation negotiations.

While virtually all economists think free trade is desirable, they differ on how best to make the transition from tariffs and quotas to free trade, i.e.: unilateral, multilateral, or bilateral. In the case of the Western Balkans unilateral granting of trade preferences by the EU, as an alternative, might be most effective, if it also includes the far protected segments of agricultural production¹¹⁸.

¹¹⁵ The Agreement creating the European Economic Area was negotiated between the Community and seven member countries of the EFTA and signed in May 1992.

¹¹⁶ Tenet, G.J., *Worldwide Threat 2001: National Security in a Changing World*, Senate Select Committee on Intelligence, February 7, 2001 and WB, March 2000.

¹¹⁷ WB, March 2000.

¹¹⁸ Fischler, F., *The EU Enlargement: Our Partnership in Agriculture*, International Ministerial Conference of the Central and Eastern European Countries, Brussels, 30 April 2000.

The advantage of unilateral free trade is that a country can reap the benefits of free trade immediately. However, multilateral and bilateral may have advantages over unilateral approaches but there is another concern. The greater reliance, on a bilateral or regional approach to trade liberalization may undermine and supplant, instead of support and complement, the multilateral GATT approach¹¹⁹.

Nevertheless, this policy will deprive the governments of the Western Balkans to address their own macroeconomic problems. But a major study by the World Bank shows that income grows more rapidly in countries open to international trade than in those more closed to trade.

Including the Western Balkans in a European Free Trade area means to extend the European Schengen¹²⁰ border further on, as well. Including the Western Balkans in Schengen area it means to remove all controls at internal land of the Western Balkans, at the sea ports of the region uniting both coasts of the Adriatic Sea, and airport frontiers as well. It will guarantee the free movement to the peoples of the region through the European Free Trade Area.

The present state of art emerges another concern. It separates Slovenia, Romania and Bulgaria from the Western Balkans because they are (Slovenia and Bulgaria) or will be soon (Romania) part of the Schengen arrangements. In this way the EU outer border would put an end to the Slovenian-Croatian Free Trade Agreement. At this point, a conflict of interests between Eastern enlargement and the stabilization of the Western Balkans has to be resolved. There may be different ways, but one of them could be by enhancing the autonomous trade preferences with the states of the region¹²¹.

C. GOOD GOVERNANCE AND INSTITUTIONAL CONTRIBUTION

All the countries of the region have embarked on strengthening democratic process and institutions, including respect for the rule of law and human rights. There are

¹¹⁹ Irwin, D. A, *Free Trade Agreements and Customs Unions*, Manchester University Press, 1999.

¹²⁰ The Schengen Agreement was signed in 1985 in the village of Schengen, on the borders of Luxembourg, France and Germany. Full implementation of the Schengen Treaty began in July 1995 with the removal of internal border controls between six of seven Schengen Member States. Nowadays all the EU members take part in this agreements, except for the Great Britain, opening an era of genuine free travel for millions of persons.

¹²¹ European Commission, *Progress Reports on Bulgaria's EU Accession*, 8 November 2000 and European Commission, *Progress Reports on Romania's EU Accession*, 8 November 2000.

obvious weaknesses, but the commitment is there and is in part attributable to the countries having been embraced in the EU integration process.

The process has not cured the Western Balkans of many of its pressing political and social problems. The region faces a number of common challenges which require determined action on the domestic level, in the context of regional and European cooperation in order to lay the foundations of modern, well-governed states enjoying good neighborly relations.

The economic development of the Western Balkans, social inclusion and regional stability will depend on strong institutions and good governance, which should be able to fight and decrease the high level of corruption and organized crime in the area. The integration policy requires stronger institutional structures in the Western Balkans, able to fulfill the economic and political conditions of the European association process, and to implement the "*acquis communautaire*."

Strong institutions are able to manage economic difficulties by assisting their people, including the poor¹²². Institutions that represent all the citizens and treat their problems are able to decrease tensions which are still present in the multiethnic Western Balkans society (except for Albania).¹²³

Institutional weaknesses in the Western Balkans are often expressed in different ways, such as calls to reopen the Dayton accords; the victory of nationalists in Bosnia (On 5 October 2002); Serbian support for extremists in Republica Serpska and Kosova, the unrest generated in Macedonia, resistance to create the necessary facilities for displaced persons, resistance to comply with the decisions of the supreme court in Republica Serpska, the assassination of high political personalities such as the former Prime Minister of Serbia, Zoran Djindjic, corruption, lack of law and order, organized crime, etc.¹²⁴ It is expressed through the language used by the political opposition, especially during electoral campaigns. In this regard, strong institutions are the basic element for the integration of the Western Balkans, and the success of the European

¹²² European Commission, CARDS, p. 37.

¹²³ Albania is a very homogenous country: 96% to 4%

¹²⁴ The Constitutional Court of BiH (summer 2000) took two important decisions: a particular Entity with a particular people is incompatible with the State constitution, and Bosnians, Serbs and Croats have equality throughout the territory.

initiatives, such as the Stabilization and Association process, the Stability Pact and the CARDS program or any other regional policy that have to be realized through domestic institutions, such as INTERREG III A¹²⁵. Their effectiveness can be seen in the development of a prosperous market economy, the reduction of unemployment, the management of public finances and public services, the efficient fight against corruption and organized crime, and the protection of the citizen, as well.

Throughout the region the function of the Parliaments is very much improved, but the lack of democratic culture is still causing problems especially in the hot spots of the area as in BiH, Republica Serpska, Macedonia and elsewhere. In this respect, the political parties are a major concern. They have a strong impact on the function and proceedings of the parliament, and on good governance, as well.

The political parties and the parliamentary committees are the two pillars where the members of the parliament put forth their activity. Although they are two different structures from the organization point of view, but the members of the parliament take part simultaneously in both structures. The coordination of both structures is fundamental because the political party and the parliamentary committee intersect in three main points: first, the members of the parliament are attached to different parliamentary committees by their political parties, second, the political party and the parliamentary committee direct the parliamentary debate, and third, the parliamentary committees are the places where the political parties may negotiate their differences.

During the political struggle to establish the democratic rule not all the political forces or the political groups of the region, which emerged after the fall of the communist rule, belonged to the pure democratic ideals. Some of them joined the democratic movement only as a means to destroy their rivals. As soon as the democratic rule and the democratic institutions were established they tried to use them for their own interest under the “national interest”. The partial integration of the Western Balkans in the EU will make the European politically likely minded forums as European People’s Parties

¹²⁵ Trans-Adriatic Cooperation is a regional initiative in which take part the countries of both sides of the Adriatic, such as Italy, Albania, Serbia and Montenegro, BiH and Croatia. This initiative aims to fight the organized crime in the region. On 28 March 2003, in Sarajevo, the Ministers of foreign affairs of these countries decided to launch the package of \$ 110 million, foreseen for this cooperation, in the third quarter of 2003.

(the right wing) or the political group of the European Socialists (the left wing) more responsible to the likely minded parties from the Western Balkans. Their influence and cooperation will be very fruitful in improving the democratic culture and their behavior in the whole region.

Other important issues are:

Fragile or contested constitutional arrangements, which hinder the reforms and the implementation of the European initiatives in three countries of the area: Bosnia and Herzegovina, Serbia and Montenegro¹²⁶ and Macedonia. The BiH Entities are characterized by asymmetric structures: Republica Serbska is centralized while the FBiH is decentralized, and ethnic polarization often blocks effective government¹²⁷. The Croat entity declared “self rule” in March 2001 and in mixed cantons the administration is divided in two. The EU and the U.S. treated with caution the request to “re-open Dayton”. They invited all parties to “build on Dayton” and not opening a new one. Republica Serbska opposed such calls. In Macedonia several constitutional articles triggered early 2001’s turmoil between the Macedonians and the Albanians, the two largest entities of this state. The partial integration would defuse tensions generated by nationalist feelings and help to restore a normal life.

Western Balkan countries have experienced difficulties in developing a culture in which the law governs all aspects of social life and be independent. The new Balkan states had to develop and strengthen the judicial institutions, the majority of which are still too weak to fight effectively the organized crime which tends to be part of the local political activity. In some countries, the procedural codes should be improved; court organizations should be changed, and judges, prosecutors and court clerks need to be trained. On the other hand, they should be better paid and protected.

Late this month (24 of April 2003) in Thessalonica, in a meeting with the Ministers of Justice and Order of the Western Balkans, the presidency of the EU decided to monitor their efforts and efficiency in the fight against organized crime in the region. As the coordinated fight against such a crime is one of the essential elements of the pre-

¹²⁶ European Commission, *Federal Republic of Yugoslavia, Country Strategy Paper 2002-2006*, p. 7, Brussels, 2002.

accession process for the Western Balkans, the partial integration would be a remedy for the present situation, would secure the southeastern border of the EU and would spare Europe more money and efforts in organizing such meetings every week.

The situation of the minorities is much improved throughout the region but there is still room for improvement especially in the cases of missing persons and their right to property. While property repossession is progressing in BiH, with the largest number of refugees and displaced persons, it is still a problem in Croatia and Kosovo

Corruption is the widespread evil in the region. Its connection with organized crime undermines public confidence in the governments, which time and again lose the elections as it happened in Albania in 1997, in Macedonia in 2001, and Bosnia in 2002.

The European Bank for Reconstruction and Development (EBRD) reports point out that slow bureaucratic procedures and corruption obstruct the normal development of small and medium-sized enterprises, many of which prefer to work in the gray economy (Bosnia takes the first place from the rest of the Western Balkans)¹²⁸. There is a growing consensus among the states of the region that corruption in all its forms must be identified and credibly deterred. The Transparency International Corruption Perceptions Index ranked the countries of the Western Balkans on country rank below 50 among a total of 99 countries. The European Commission has established customs assistance missions in Albania (CAM-A), Bosnia and Herzegovina (CAFAO), Croatia (CAMES) and more recently in Kosovo (CAM-K). As part of these missions, EU customs officers work together with their local counterparts to enhance the efficiency of local customs and fiscal administrations. Tangible results have been achieved through increased revenue collection for the States.

Studies show that corruption hits the poor more than any other members of the society.¹²⁹ They are not able to pay additional sums for health care, education, and civil

¹²⁷ Commission of the European Communities, *Bosnia and Herzegovina, Stabilization and Association Report*, p. 4, Brussels, 2002.

¹²⁸ Commission of the European Communities, *Bosnia and Herzegovina, Stabilization and Association Report*, p. 13, Brussels, 2002.

¹²⁹ World Bank diagnostic studies in Latvia and Georgia found that the poorest strata of society pay a larger fraction of their income in bribes than do the richest strata.

registrations; all the same they are not able to pay bribes for better services.¹³⁰ Western Balkan countries have weaknesses in public sector service functions, including credible and consistent regulation and infrastructure necessary for private sector development. There has been notable progress in Croatia, Albania and Macedonia. The International Community interested in the democratic developments of the region is constantly working in Bosnia and Kosovo. Serbia and Montenegro is trying to leave behind the legacy of the past¹³¹.

The obstacles to investment include a combination of weak legal and judicial institutions, providing not the necessary confidence that contracts will be enforced.

The financial sector, which is central to a market economy by enabling payments, savings and investments, is still weak throughout the region. Based on EBRD Transition Indicators, the regulation of financial institutions in the region received an average score lower than the countries of Eastern Europe but much higher than the Commonwealth of the Independent States.

Despite substantial difference between the countries of the region, administrative capacity is still weak. The Council of Europe is providing training grants but, in general, the public administration is not well trained, and it lacks the necessary equipment. In addition, another concern is emerging, i.e.: enrollment on ethnic bases (very noted in Macedonia, in some sectors it is 94% to 6%). It undermines the coexistence and generates tensions.

Public institutions can only function with a strong civil service and functioning public administration. Civil servants need motivation for adequate performance, which requires the establishment of merit-based bureaucratic career paths. Many of the civil services in the region lack a structured civil service, established and managed according to merit principles and evaluated according to education and results. In many countries it is still subject to political parties, which, once in power, purge the administration and

¹³⁰ One study finds that corruption reduces government spending on education in a cross section of countries. (Mauro, P., "Corruption and the Composition of Government Expenditures," *Journal of Public Economics*, 69, pp. 263-279, 1998.)

¹³¹ Commission of the European Communities, *Bosnia and Herzegovina, Stabilization and Association Report*, p. 13, Brussels, 2002; European Commission: *Federal Republic of Yugoslavia, Country Strategy Paper 2002-2006*, pp. 12-16, Brussels, 2002 and *Albania: Growth and Poverty Reduction Strategy (GPRS) Progress Report*, World Bank, February 2001.

enroll their own political supporters. The national security institutions suffer more from this destructive phenomenon. There are very good efforts to be noted in Croatia, and Albania. Macedonia is a case, which should get out of the present situation as soon as possible.

Destabilizing forms of extreme nationalism have been marginalized in the current governments of each country. Generally, the arrival of moderate governments provided the necessary confidence to move forward the process of drawing each country closer to the EU. The political elections of 5 October 2002 in BiH brought the nationalists in power again because the moderates lost the confidence of their voters. Over time the attractions of extreme nationalism should diminish as its political outlook is shown to be increasingly out of touch with the demands of modernization and reform and integration with the EU.

One of the most promising fact that the Western Balkans is committed to cooperate and hopefully to leave behind the past is the increased frequency and substance of the bilateral and multilateral contacts for different issues and problems of national and regional importance, such as border management, the fight against corruption, dual citizenship, refugee returns, pension and social security rights, economic cooperation etc. The most significant development has been the efforts of the Albanian government and the Serbian one to reestablish normal relations and contacts after ten years. Nevertheless, the partial integration would dramatically improve the situation and will help to fulfill very soon all the conditions of the pre-accession process. Otherwise it will take decades for the Western Balkans to meet their requirements posed by the present European initiatives.

V. THE WESTERN BALKANS: A RESPONSIBILITY AND PERMANENT CONCERN OF EURO-ATLANTIC INSTITUTIONS

No words men write can stop the war
Or measure up to the relief
Of its immeasurable grief
May an Accord be reached, and may
This aide-mémoire on what they say,
Be the dispatch that I intend;
Although addressed to a Whitehall,
Be under Flying Seal to all
Who wish to read it anywhere,
And, if they open it, En Clair.

W. H. Auden, *New Year Letter*

A. THE DAY AFTER

The maxim of Cicero: ‘Cedant arma togae’ does not always apply in societies that enjoy the rule of law. Yet, on the other hand, it may apply in societies which give the foremost place to military values, even though civil and military power are concentrated in the same hands, as in the case of European monarchs before 1789. In fact, arms did not yield to the toga until quite a late stage in human history. This late stage seems to be still remote for some parts of the Western Balkans, because those feelings of the past, which really generated the ten-year bloody war, are still very present, especially in Serbia, the largest state of the Western Balkans.

While Albania is proceeding to strengthen the rule of law and order within the country, Croatia continues to make impressive progress in distancing itself from its nationalist past.

Bosnia is still under the legacy of war and the contradictions of the Dayton Peace Agreement¹³². Any policy that tends to prevent the country from meeting its international commitments or that promotes another partition of the state could be disastrous--risking undoing all that has been accomplished to date and potentially triggering a new conflict.

The bloody violence triggered in Macedonia during 2001 made clear the need not only to contain conflict in the short-term but also to pay special attention to and work

¹³² *Debate on Conflict Prevention, Crisis Management* (includes EC aid to Southeast Europe), p. 4-10, Strasbourg, 14 March 2000.

hard on the implementation of political decisions, particularly the Ohrid Agreements, so as to improve civil rights and relations between the Macedonians and the Albanians, the largest entities of the republic¹³³.

Kosova is under the jurisdiction of the UN, which, at the end of 2003, will hand over its competencies to the local government that emerged from the general elections of 2001. UN and the local authorities are committed to implementing the reforms so as to strengthen the local institutions and the rule of law for a multi-ethnic society. They are also working for the return and reintegration of the displaced persons¹³⁴.

The proposal of the president of the Democratic Party of Kosova and former PM Hashim Thaçi to temporarily freeze the discussions on the final status is welcomed by the US¹³⁵, but this issue is very important for it has a strong impact on Western Balkans' stability and on preventing other nationalist and humanitarian disasters.

The final status of Kosova is also important in that it impacts the United States' military's readiness and availability for other missions; and a lasting solution, which would allow the United States troops to withdraw, demands the leadership of the United States in resolving the final status issues. Declarations expressed in letters like the one the Deputy Prime Minister of Serbia, Nebojsa Covic, sent to the Special Representative of the UN Secretary General in Kosova, Michael Steiner, on 4 March 2003¹³⁶, that hints at the partition of Kosova and would mean a failure of all the efforts of the international community and the international organizations involved, are very dangerous because they generate tensions.

The present Serbia presents a picture of the new politicians attempting to implement democratic reforms, including cooperation with the Hague, and of the hard-liners who are opposing the new European stand in favor of nationalist policies (Serbian and Croat nationalism has always been closely linked with the Church, and reminders of

¹³³ The fighting in 2001 resulted in more than 200 casualties; more than 100,000 persons were exiled or internally displaced, and relations between ethnic Macedonians and the Albanians reached a record low.

¹³⁴ Williamson, R. S. (U.S. Representative to the UN for Special Political Affairs): *Statement to the UN Security Council*, New York, 6 February 2003.

¹³⁵ <http://www.kosova.com/lexo.php?kat=1&artikulli=10043>.

¹³⁶ Covic, N., Letter sent to the Special Representative of the UN Secretary General Michael Steiner in Kosova, 4 March 2003.

these historic links on occasion produce bizarre results¹³⁷.) The post-Milosevic government supports extremist elements in both Bosnia and Kosova, and Serbian policies toward ethnic minorities are still unacceptable. However, the European Union is less critical and not as firm in its stand on Serbia as it was, for instance, toward Croatia. Serbia should fulfill the same requirements as other former Yugoslav Republics are doing, notably Croatia¹³⁸.

In 2002, Serbia and Montenegro began negotiations to create a looser Federation, which was realized on 4 February 2003. At the same time, both countries agreed that a referendum on full independence will be held in three years¹³⁹.

Despite the agreement, which bears the approval of the respective parliaments, the republics show no sign of commitment to cooperate at the federal level. They are focused on their own institutions and their own problems. There are a lot of Serbian economists who believe it would be better for their country to go it alone.

The main problem both states face, despite the result of the future referendum, is civilian control over the armed forces. On 24 June 2002, former president Kostunica dismissed the Chief of the General Staff of the Yugoslav Army, but it didn't come as a natural result of the implementation of democratic reform in the armed forces of Yugoslavia or in the context of dismantling the legacy of Milosevic from the armed forces. It was a result of the struggle for power going on between him and the assassinated Prime Minister Djindjic. There are allegations that Kostunica wanted to use the army against Djindjic's government.

Public opinion in Montenegro is divided into two major groups: for and against independence. The former socialist party of Montenegro, which sees the future of the republic in a federation with Serbia, strongly opposes independence, but it doesn't seem to be able to generate any violence or a counter separatist movement within the country. Montenegrin President Gjukanovic's coalition is for an independent Montenegro. Both groups are looking to the future for no one is able to pass the bill in the parliament (it requires two-thirds of the seats) right now.

¹³⁷ *Borba*, p. 5, 4 November 1971.

¹³⁸ *World Bank approves US\$80 million credit in support of social sector reforms in Serbia*, World Bank, 22 April 2003.

Since the collapse of Yugoslavia, the Euro-Atlantic institutions have taken responsibility for the security of the Western Balkans, and the region has become their permanent concern. The military presence continues to assist in BiH, Kosova and Macedonia. SFOR¹⁴⁰ of 13,000 maintains a peaceful environment, helping BiH realize its program of reforms aimed at the European integration. The major contributor is NATO¹⁴¹. KFOR, of about 30,000 troops, maintains security and order in Kosova, helping implement resolution 1244 of the UNSC¹⁴². NATO¹⁴³ is also the major contributor to KFOR. In Macedonia, on 31 March 2003 an EU force of 300 troops replaced the NATO mission, Operation Allied Harmony. However, NATO will still be committed in Macedonia through a senior civilian representative and a senior military representative in Skopje (According to the US Secretary of State, the EU troops do not contradict NATO, but they complement the work of the Alliance¹⁴⁴).

In spite of aspirations¹⁴⁵, the summit of Prague left behind the Western Balkans, declaring that “Albania, Macedonia and Croatia are under consideration for future membership”¹⁴⁶. They did not give up, and they continue to struggle for the membership card. On the second of May 2003, Albania, Croatia, Macedonia and the US (through its Secretary of State) signed the United States-Adriatic partnership Charter (Adriatic 3), which will be a working program for Albania, Croatia and Macedonia in their efforts for full integration into NATO and other European institutions. In that context, the three will

¹³⁹ *CIA World Factbook*, updated on 19 March 2003 (<http://www.cia.gov/cia/publications/>).

¹⁴⁰ Stabilization Force

¹⁴¹ NATO nations contributing to SFOR: Belgium, Canada, Czech Republic, Denmark, France, Germany, Greece, Hungary, Iceland, Italy, The Netherlands, Norway, Poland, Portugal, Spain, Turkey, United Kingdom, United States. New NATO members: Bulgaria, Estonia, Slovakia Lithuania, Slovenia, Romania, Latvia. Non NATO Nations: Albania, Argentina, Austria, Finland, Ireland, Morocco, Sweden, and Russia. Australia and New Zealand contribute by special arrangement with the United Kingdom.

¹⁴² The resolution 1244 is adopted by the Security Council at its 4011th meeting, on 10 June 1999.

¹⁴³ KFOR: NATO Nations: Belgium, Canada, Czech Republic, Denmark, France, Germany, Greece, Hungary, Iceland, Italy, Luxembourg, The Netherlands, Norway, Poland, Portugal, Spain, Turkey, United Kingdom, United States. New NATO members: Bulgaria, Estonia, Slovakia Lithuania, Slovenia, and Romania. Non NATO nations: Argentina, Austria, Azerbaijan, Finland, Georgia, Ireland, Morocco, Sweden, Switzerland, Russia, Ukraine, United Arab Emirates.

¹⁴⁴ Powell, C., *Remarks at the U.S.-Adriatic Charter Signing Ceremony*, Tirana, Albania, 2 May 2003.

¹⁴⁵ Pickering, Th., *A Transatlantic Community for the 21st Century*, pp. 124-126, 4 February 2000.

¹⁴⁶ *Prague Summit Declaration* (issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Prague), paragraph 6, 21 November 2002.

work with each other and with their neighbors to build a Western Balkan region that is free, democratic, secure, and prosperous¹⁴⁷.

This short note shows that the Western Balkans, de facto, is part of the North Atlantic Alliance Area. None of these states directly involved in the war had the membership card, but they have been treated according to Article 5 of the Alliance: Serbia attacked them and NATO attacked Serbia. Why not grant them the official invitation? It will be a lighter burden, and the situation will improve very soon. Partial integration into the EU and NATO membership will defuse tensions in the region, above all, Western Balkans nationalism; and security, law and order, and economic development will be the effect. Less money will be spent and revenue will be maximized.

The assassination of Serbian Prime Minister Zoran Djindjic on 12 March 2003 is a dark sign not only for Serbia but for the whole region and for Europe, too. Djindjic's assassins mostly came from the former State Security (DB) structures of Serbia and counterparts associated with the Yugoslav Army (VJ) Counterintelligence Service (KOS) who oppose European values and aspire to a role in politics, government and society¹⁴⁸. In their efforts they have a strong ally, Serb nationalism. The new status would suffocate these dark forces and their legacy of the past.

B. THE LEGACY OF THE PAST

Security and stability across the area, however, continue to be a problem owing to residual nationalism, weak government institutions, weak economies, and the lack of the rule of law and justice. The displaced persons still suffer difficult conditions¹⁴⁹.

The wars, the turmoil and the opposition to democratic reform on the part of some Serbian politicians and Serbian political circles is related to the historic traditions of Serbia as the torch-bearer of Slavism. While Yugoslav nations emerged in the nineteenth

¹⁴⁷ This agreement provides for trilateral meetings on the level of foreign affairs ministers, defense ministers, and ministers of justice as well as on the level of the prime ministers of each of the three countries at least twice a year. This also refers to the general managers of the customs administrations and the NGO representatives. On the other hand, the United States will do everything possible to assist the peoples of Albania, Macedonia and Croatia to fulfill their potential and to complete their journey back to NATO and to the heart of Europe. This agreement acknowledges that the three Western Balkans countries are on the path to NATO membership, though only at a later stage (*Gazeta Shqiptare*, 3 May 2003 and Powell, C., *Remarks at the U.S.-Adriatic Charter Signing Ceremony*, Tirana, Albania, 2 May 2003.

¹⁴⁸“Charges over Serb PM Murder,” *BBC News World Edition*, Tuesday, 29 April 2003.

and twentieth centuries, their formation started much earlier. They consider themselves heirs to their medieval states, stressing their greatness and the historic continuities¹⁵⁰. Though ethnic myths often do not correspond to historic reality, they did help keep the culture alive during periods of foreign rule, built national identity, and enabled modern nations to form within the existing empires. Serbian myths not only contributed to the struggle for national independence, but they are still inspiring a large part of the population.

War, enemy occupation, despoliation by the Hapsburg¹⁵¹ and Ottoman Empires and a sense of collective humiliation acted as catalysts in the emergence of national identity. As Schulze argues, this kind of historical arrogance was not only meant to reinforce internal solidarity and the creation of united Serbian-Croat-Slovene nation, it provided evidence for more ambitious claims, as history pointed out later on¹⁵².

The nationalist ideas started out as the will to be liberated from the invader, such as in Fichte or Herder's legacy. But these ideas, as we saw, went beyond all reason.

There were two conflicting concepts regarding the future organization of that state: the centralized one, which meant a unitary state, dominated by Serbs, and a decentralized and federal concept that recognized the existence of ethnic pluralism and promoted broad ethnic autonomy and the equality of all South Slavic nations. The Kingdom of Yugoslavia was founded on the Greater Serbia principle. But clashes between centralized and decentralized models continued through the seven decades of the existence of the Socialist Federal Republic of Yugoslav and during the period of its dismantling.

¹⁴⁹ Commission of the European Communities, Bosnia and Herzegovina, Stabilization and Association Report, Brussels, 2002.

¹⁵⁰ These Medieval states are the main origin of their identity even if they were short-lived. Slovenes refer to the Medieval state of Carantania/Karantaniya in the 8th century (in the territory of present day Austria) and Great Panonia in the 9th century (present day Hungary). Croats stress the importance of the Medieval Kingdom of Croatia. Bosnian Muslims refer to the Medieval Bosnian state. Serbs consider themselves heirs to the Medieval Serbian Empire that was independent from the 11th to the 14th centuries. Montenegrins are especially proud of the actual independence of the Montenegrin state that was established in the 18th century. Macedonians stress the importance of the independence of a short-lived Samuel's state at the end of the 10th century that was recaptured by the Byzantine Empire in 1018.

¹⁵¹ Friedman, F., *The Bosnian Muslims, Denial of a Nation*, p.108, Westview Press, 1996.

¹⁵² Schulze, H., *States, Nations and Nationalism*, pp. 306-336, Blackwell Publishers Ltd, 1998, and Wolff, L., *Inventing Eastern Europe, the Map of Civilization on the Mind of the Enlightenment*, pp. 156-162, Stanford University Press, 1994.

The centralization was reflected in the first constitutional concept of ‘one nation of three names, historically divided into three ‘tribes,’ Serbs, Croats, and Slovenes. This concept, based on Serbian expansionist tendencies linking ‘nation’ and ‘people’, denied the existence of Macedonians, Montenegrins (The Serbs believe that the Montenegrins are Serbs¹⁵³), and Bosnians as distinct ethnic groups. This Constitution did not protect the linguistic rights of numerous ethnic minorities. There was no ethnic or regional autonomy, and the intention was to divide ethnic communities into several administrative units in order to decrease their internal ethnic coherence¹⁵⁴.

Increasingly, the non-Serbian citizens became dissatisfied with the denial of the existence of ethnic pluralism, with Serbian domination and expansionism, with economic and social crises, with the restrictions of human rights and the curtailment of democracy, and with centralism and unitarism. The endeavors resulted in the Croatian-Serbian Agreement (Cvetkovic-Macek), signed on 23 August 1939. This agreement recognized the equality of Serbs, Croats and Slovenes in the common state as the foundation for resolving the nationalism question in Yugoslavia. It is important for it opened the road to the process of decentralization and federalization.

The communist constitution of January 1946¹⁵⁵ followed the rather centralized Soviet federal model establishing a "people’s democracy"¹⁵⁶.

Although formally decentralized, even with the introduction of certain co-federal solutions, former Yugoslavia was more centralized than anticipated by the constitutional system. President Tito and the League of Communists of Yugoslavia (LCY) were the main integrative factors. Their functioning was mostly informal, since the constitution did not determine their role.

¹⁵³ *NIN*, p. 18, 28 June 1970; *NIN*, p. 32, 19 April 1970.

¹⁵⁴ Schulze, H., *States, Nations and Nationalism*, p. 157, Blackwell Publishers Ltd, 1998, and Wolff, L., *Inventing Eastern Europe, the Map of Civilization on the Mind of the Enlightenment* pp. 304-14, Stanford University Press, 1994.

¹⁵⁵“Zakon o Ustavotvornoi Skupscini - The Law on the Constituent Assembly,” *Sluzbeni list DFJ/ Uradni list DFJ - Official Gazette of the DFY*, No. 63, 1945.

¹⁵⁶ The Constituent Assembly was composed of the Federal Chamber, a house of representatives where one representative was elected per 40,000 voters, and the Chamber of Nations representing the ethnic plurality of the Yugoslav community. Each of the six federal units, irrespective of its size, elected 25 representatives, whereas citizens of Vojvodina elected 15, and citizens of Kosova and Metohija, 10 representatives to the Chamber of Nations. Such a regulation was to ensure equality of nations and

The ethnic crisis was deepening day by day during 70s, but it became more and more obvious during the 1980s. The ruling regime, for a long time, did not acknowledge or deal with the crisis. It was not until the end of the 1980s that a decision was made to amend the federal constitution. Although the changes were urgent, there was no consensus on how to do so, for the constitution could only be amended by the consensus of all federal units. Finally, a compromise solution was adopted that did not solve the problems. The Amendments of 1988 introduced a wider democratization and the necessary economic and political reforms proposed by the federal government of Prime Minister Markovic, but they soon failed because of the lack of political consensus.

Subsequent attempts in 1989-1991 to amend the federal constitution and reform the political system all failed for lack of consensus. Conflicts between the two different political options were constantly growing until they finally paralyzed the existing political system. Differences among Socialist Republics and Socialist Autonomous Provinces became especially evident in the different level of democratization in every federal unit. As noted in the first chapter, Milosevic's rise to power marked a return to a tougher policy. In his speech delivered to one million people at the central celebration marking the 600th anniversary of the Battle of Kosova, held at Gazimestan, he said:

... the Serbs have not used the advantage of being great for their own benefit either... This situation lasted for decades, it lasted for years and here we are now at the field of Kosova to say that this is no longer the case¹⁵⁷.

This speech was his oath to Serbian nationalism. Right after that date he revoked the autonomy of Kosova¹⁵⁸ and ignited the disintegration of Yugoslavia while unsuccessful attempts to reform the federation were still going on. The official recognition of the independence of Slovenia and Croatia by the EU in January 1992 for-

nationalities or federal units, respectively, of Yugoslavia in the drafting and adopting of the new constitution.

¹⁵⁷ Milosevic, S., Speech delivered at the central celebration marking the 600th anniversary of the Battle of Kosova, held at Gazimestan, 28 June 1989. (Compiled by the National Technical Information Service of the Department of Commerce of the U.S.)

¹⁵⁸ Ramet, S, *Whose Democracy? Nationalism, Religion and the Doctrine of Collective Rights in Post-1989 Eastern Europe*, p.148, Lanham and Oxford, Rowman and Littlefield, 1997.

mally marked the end of the existence of the Yugoslav state created after World War I¹⁵⁹ and of the Socialist Federal Republic of Yugoslavia created after the WWII.

There is a very interesting fact to be noticed that the outburst of the first Croat anger emerged as economic and social grievances, and as with most nationalist movements, it was the middle-class intellectuals and the students who were the front-runners. When the students took to the streets in November 1971, their protests were at first limited to the economic problems of Croatia¹⁶⁰, claiming that the federal government was draining away Croatia's national income¹⁶¹. Nationalist-minded writers made great play with these figures, stirring deep-rooted anxieties about the survival of the nation¹⁶². It was implied that Croatia's best young men were being forced to leave their motherland because there was no economic future for them at home. If Croatia were not being bled by Belgrade for the benefit of the Serbs, the Macedonians and the Albanians¹⁶³, she might be able to provide for her own sons¹⁶⁴.

On the other hand, assertion of Serbian nationalism is often accompanied by anti-Croat feelings. After the troubles in Croatia in 1971, there was a wave of hostility

¹⁵⁹ Five independent successor states were established in the territory of the former Yugoslav federation: the Republic of Slovenia, the Republic of Croatia, the Republic of Bosnia-Herzegovina, the Federal Republic of Yugoslavia consisting of Serbia and Montenegro, and the (Former Yugoslav) Republic of Macedonia.

¹⁶⁰ With 22 % of the population, Croatia provided 28.5 % of Yugoslavia's exports in 1970. Slovenia, with 8.9 % of the population, contributed 17.8 % of the exports, and Serbia, with 42 % of the population, had a 36.7 % share of the exports [Ekonomaska Politika (2 November 1970), p. 15]. Between 1967 and 1970, Croatia's share of the total number of foreign tourists entering Yugoslavia rose from 55 to 60 % (Statistifki Godisnjak). According to the 1971 census, Croatia, with 20 % of the Yugoslav population, contributed 33% of the workers abroad. 5.2 % of the total population of Croatia was employed abroad--the highest percentage of any European country except Portugal ["Lica na Privremom Radu u Inostranstvu", *Statistitki Bilten*, 679, p. 9, 1971].

¹⁶¹ *Kritika*, 17, 1970 and *Kritika*, 13, 1970.

¹⁶² An article in VUS refers to the biological impoverishment of Croatia because the rate of emigration is higher than the rate of natural increase. Croatia's share of the Yugoslav population fell from 23.1 % in 1953 to 21.5 % in 1971 (The author states that it fell to 19 % in 1968, but the 1971 census records an apparent increase since 1968, to 21.5 %) [*VUS*, pp. 20-3, 18 February 1970].

¹⁶³ It means the Kosovar Albanians.

¹⁶⁴ The significant political fact is that most Croats believe that they have been exploited, and during the last ten years enough statistical evidence has been selected to provide convincing evidence to support their arguments. The Croats were fully aware of the economic disadvantages to them of belonging to Yugoslavia, including the amount of foreign currency earned by Croatian enterprises, the taxes paid to the federation, etc. What was not discussed by the federalists were the compensating advantages which Croatia derived from her association with Yugoslavia: hundreds of millions of dollars a year from foreign tourists depended partly on the federation's investment of large sums in highways, hotels and transport facilities in the late fifties and early sixties. There has also been heavy federal support for the shipbuilding industry, 90 per cent of which was based in Croatia [*VUS*, pp. 10-11, 4 March 1970 and *Vjesnik*, p. 7, 8 May 1971].

towards Croatia amongst Serbs in Belgrade. The president of the Union of Belgrade Youth warned that it was wrong to assume that youth is immune from nationalism and that, in a multinational city like Belgrade, it was particularly important not to encourage anti-Croatian feeling among young people¹⁶⁵.

What went wrong? The different Yugoslav constitutions did not provide adequate mechanisms for the democratic management of ethnic relations, and the politicians underestimated the importance of a state's ethnic policy. They feared ethnic diversity as a possible source of conflict that could destroy the state. Some provisions in all constitutions were never realized or applied and caused serious problem because the existing normative system could no longer regulate social processes.

In former Yugoslavia informal channels traditionally played a crucial role. The important decisions were actually made by President Tito and the LCY and then formally confirmed.

The centralization option versus the decentralization option continuously generated conflicts. In the 1980s the tension between these two options increased again. The two conflicting concepts proved to be incompatible. One called for a strong, centralized and monolithic federation, without political pluralism¹⁶⁶, and the other for decentralization, increased autonomy of federal units, the introduction of political pluralism and a market economy, and democratic reform of the political system¹⁶⁷.

Former Yugoslavia represented no democratic political traditions, and most politicians were politically socialized in a totalitarian system within a former ruling party. In such conditions political leaders and parties desperately searched a way to successfully

¹⁶⁵ *Borba*, 11 December 1971.

¹⁶⁶ The Presidency of the SFRY prepared a proposal for the reform based mostly on the Serbian concept of centralized federation. This proposal supported by federal institutions, including the federal army, was advocated also by Serbia. "A Concept for the Constitutional System of Yugoslavia on a Federal Basis", *Review of Intentional Affairs*, v. XLI, No. 974, pp. 15-18, Belgrade, 5 November 1990.

¹⁶⁷ Advocates of decentralization first proposed the transformation of the existing Yugoslav federation into an asymmetrical federation. This model was designed to enable coexistence of different political models and systems, which already existed in different republics, within one federation. When this proposal was refused, a proposal for a Confederate Model among the South Slavic States was made by Slovenia and Croatia, but the advocates of centralistic solutions also immediately refused it. "A Confederate Model Among the South Slavic States", *Review of Intentional Affairs*, v. XLI, No. 973, pp. 11-22, Belgrade.

mobilizing people politically. Ethnic identity and especially nationalism proved to be most effective in this context¹⁶⁸.

The case of the former Yugoslavia shows how a relatively successful multiethnic state can turn into a disaster in a short time. It shows the importance of the adequate regulation of ethnic relations in multiethnic environments. EU integration and the “acquis communautaire” would defuse the tensions and would enhance good ethnic relations in a plural environment preventing the bloody massacres which evoked the thirsty Gods of the French Revolution in the late twentieth century. The sooner the better.

C. ISLAM IN THE WESTERN BALKANS

The 11 September 2001 terrorist assault against the United States of America had a strong impact on the democratic forces of the region, and the religious situation in the Western Balkans became a concern (the Muslim population of the Western Balkans is about 6.32 million, most of them Albanians, 4.45 million¹⁶⁹).

Several questions torment every democrat in the region. Can Islam be a force in the Western Balkans or in any country of the region? Can Islam generate a political movement in the area that would have a strong impact on European security and beyond? Can Islam create informal networks in the post communist countries of the region? Can the “Saudi NGO’s” that entered the area under the humanitarian cover of the early nineties be successful in their mission? Are the Western Balkans youth educated in Islamic countries in the late nineties able to indoctrinate the ordinary citizen filling the half-century gap? Is the revival of Islam able to alter the outlook of the Albanians, which is mainly based on the Albanian traditional culture and their Christian origins as an inherited identity?

In the following subchapters we will try to introduce what Islam is and what it means in BiH and Albania. We think that Albania has a particular importance because the Albanians, wherever they live, consider Albania their mother country. It has nothing to do with nationalist feelings for a Greater Albania. No one in Albania would like a greater

¹⁶⁸ Ethnic conflicts are conflicts of interests between distinct ethnic communities and/or their members. Donald L. H., *Ethnic Groups in Conflict*, pp. 4-16, 95-96, 139-140, 216-228, University of California Press, Berkeley, Los Angeles, London, 1985.

¹⁶⁹ *CIA Factbook*, 2002.

country. The Albanians would like to have the country they have, but integrated into the family of the European nations.

1. Islam in Former Yugoslavia

a. General Picture

As noticed in the first chapter, there were three main religions in former Yugoslavia: Eastern Orthodoxy, Roman Catholicism, and Islam. The Muslims of former Yugoslavia included the Muslim Slavs, who live in Bosnia and Herzegovina; the Albanians, who live in their lands in Kosova, the enclave of Novi Pazar in Serbia, in Macedonia and Montenegro; and Turks inhabiting the same regions as the Albanians.

The postwar Yugoslav communist government was against religion because of its connection with nationality and, thus, posed a special threat to Yugoslav unity and to Yugoslavism¹⁷⁰. Although postwar constitutions provided for separation of church and state and guaranteed freedom of religion, church-state relations in the postwar period were often tense when the government attempted to reduce church influence¹⁷¹.

From 1945 to the early 1950s, the authorities carried out antireligious campaigns that imprisoned, tortured, and killed many members of the clergy. The government subsequently established a general policy of rapprochement, but until the 1980s the state still exerted pressure on many religious communities. Yugoslavs who openly practiced a religious faith often were limited to low-paying, low-status jobs.

After Tito's death in 1980, the Yugoslav government no longer pursued a consistent policy toward religion, and each republic and province followed policies toward religion that were acceptable at home but sometimes unacceptable in other parts of the country.

In the 1980s Yugoslavia's Islamic community included about 3,000 religious leaders, some of them educated abroad, and 3,000 mosques (Libya and Saudi Arabia funded the construction of 800 of them). The only Islamic school of theology of

¹⁷⁰ Singleton, F., *Twentieth Century Yugoslavia*, p. 237, Columbia University Press, 1976.

¹⁷¹ Friedman, F., *The Bosnian Muslims: Denial of a Nation*, p. 147, Westview Press, 1996.

Yugoslavia was in Sarajevo. Some secondary schools were open in Sarajevo, Skopje, and Prishtina, as well¹⁷².

b. *The Muslims of Bosnia and Herzegovina*

Most of the Muslims of Bosnia are Slavs who converted to Islam during the stages of Ottoman occupation to gain the higher social status that Ottoman policy afforded to converts¹⁷³. In modern Yugoslavia they were the largest community in Bosnia, and, according to the 1991 census, the population of BiH was: Muslims – 1,905,829, Serbs – 1,369,258, Croats – 755,892, and Yugoslavs¹⁷⁴ -- 239,845 out of a total of 4,364,574¹⁷⁵.

Right after WWII, the Muslims of Bosnia were considered a unique but a national group within Yugoslavia. They were permitted to declare themselves as Serb-Muslims, Croat-Muslims, or nationally “undetermined” Muslims. Thus, they were identified nationally as either Serbs or Croats but did not possess their own separate national identity¹⁷⁶. The community as a whole, which was not recognized as a corporate national group in the census or through any other mechanism, was denied access to the republic and federal levers of power that other national groups in Bosnia and Herzegovina (the Croats and especially the Serbs) enjoyed.

Tito’s prestige in the nonaligned movement increased his importance in world affairs. Nonalignment¹⁷⁷, in general, and Yugoslavia’s involvement with Middle East

¹⁷² Curtis E. G., *Yugoslavia: a Country Study*, p. 106, Federal Research Division, Library of Congress, [Washington, D.C.], 1992.

¹⁷³ Mladenovic, M., “The Osmanli conquest and the Islamization of Bosnia,” *Slavic and East European Studies*, 3, p. 219, winter 1958-1959.

¹⁷⁴ The withdrawal from Stalinism and the search for a specifically Yugoslav form of socialism made the Yugoslav leadership introduce the concept of Jugoslovenstvo (Yugoslavism – one Yugoslav nation). During the ideological campaign for Jugoslovenstvo in the 1950s, the 1953 census reflected this policy by introducing the category “Yugoslav undetermined”, which, presumably, was used mostly by Bosnian Muslims who did not want to declare themselves as either Serbs or Croats, as well as by members of mixed marriages and those who were repelled by the idea of national self-determination after the nationalistically motivated horrors of World War II [F, 154]. Another source is Djokic, D., *Yugoslavism, Histories of a Failed Idea, 1918–1992*, Co-published with C. Hurst & Co., London, February 2003.

¹⁷⁵ “The National Composition of Yugoslavia’s Population, 1991,” *Yugoslav Survey*, 33, pp. 4-5, 1992.

¹⁷⁶ Friedman, F., *The Bosnian Muslims: Denial of a Nation*, p. 154. Westview Press, 1996.

¹⁷⁷ The nonaligned movement is a policy joined by many countries that do not want military alliances. It emerged from the first meeting of neutralist leaders of 29 African and Asian nations held in Bandung Indonesia in 1955. Tito, the President of Yugoslavia, endeavored too much to strengthen that movement in cooperation with other leaders. The second meeting of the nonaligned was held in Beograd on 6 September 1961.

elites, in particular, gave Yugoslavia a high profile in international politics. Alongside this, Tito's interest in the fortunes of the Bosnian Muslim community increased, since a large contingent of the nonaligned countries was Muslim¹⁷⁸. In the 1960s and 1970s, Tito used Yugoslavia's Islamic community to maintain friendly relations with oil-producing Arab countries because Yugoslavia needed access to inexpensive oil (After the 1979 fundamentalist revolution in Iran, the Yugoslav government reviewed its policy on potentially destabilizing contacts between Yugoslav Muslims and Middle Eastern governments. The mullah responded by disavowing all connection with the pan-Islamic movement). This policy was reflected in official recognition of the Bosnian Muslims as an integral secular group in Yugoslavia. In the 1961 census the Yugoslav government added the category "Muslim (ethnic membership)" and the national identification of the Bosnian Muslims became a popular issue in the mid 1960s¹⁷⁹.

The Muslim designation in the 1971 census as Muslims in the sense of nationality, still waffled, causing a large number of Muslims to remain in the Yugoslav category¹⁸⁰. Nevertheless, more than 1.7 million people throughout Yugoslavia chose the Muslim category. According to the census, the Bosnian Muslims were the third largest national group in the country and constituted the largest nation in Bosnia and Herzegovina¹⁸¹. Bosnian Muslim demographics became vitally important as the new constitution was promulgated in 1974¹⁸².

The reforms strengthened the republics to the detriment of the central government just as the Bosnian Muslims were in the process of finally being recognized as a separate Yugoslav nation with all the privileges that were attached to that designation. Thus, the Bosnian Muslims became "more equal" than the other South Slav nations and more

¹⁷⁸Burg, S.L., *The Political Integration of Yugoslavia's Muslims: Determinants of Success and Failure*, p. 39, Pittsburgh: Carl Beck Papers in Russian and East European Studies, University of Pittsburgh. 1983.

¹⁷⁹Muhic, F. "Paranoicne Ideje o 'Muslimanskoj Republic'", *Borbo*. 30 April 1970 and Purivatra, A., "Nacionalni i Politicki Razvitak Muslimana," *Syjetlost*, p. 30, Sarajevo, 1970.

¹⁸⁰Jahovic, Z. "Neither Serbian nor Croatian, but Bosnian," *Oslobodjenje*, p. 27, 27 March 1991, in Joint Publication Research Service-East Europe Region, 1991, no. 68 (JPRS-EER-91-068), p. 27, 20 May 1991; *ibid.*, pp. 48-49, for an estimate of the demographics of the population claiming Yugoslav national status.

¹⁸¹In Bosnia and Herzegovina in 1971, 39.6 percent of the population was Muslim, 37.2 percent Serb, 20.6 percent Croat, and 2.6 percent other. Schöpflin intimated that the attainment of a Muslim plurality in Bosnia and Herzegovina to the 1971 census was the result of a statistically significant Muslim switch in national self-determination from Serb to Muslim (*Nationality to the Fabric of Yugoslavia*, p. 9).

privileged than ever before. For the first time in post-1878 history they became influential within Yugoslavia.

When Tito and Titoism passed away, the political cover that protected Bosnian Muslims from the Serbs and the Croats passed away as well. . Their vulnerability increased because their needs had to be met and recognition meant that the Serbs and the Croats could no longer treat them as subordinates. In the early 80's the Yugoslav system still suffered from party interference, apathy, inefficiency, lack of initiative, and corruption¹⁸³, all of which were compounded by Yugoslavia's deteriorating economic situation. Although the standard of living generally rose, the differential in incomes between the more-developed and the less-developed republics also increased¹⁸⁴. At this time political and economic exigencies became intermixed and heightened the nationalistic feelings of those who felt economically deprived and those who felt economically robbed. On the other hand, the Bosnian Muslims were caught without shelter in the crossfire between Croatia's desire to be free of Serbian hegemony and Serbia's aspirations to recreate its dominant role in Yugoslavia. Thus, the Bosnian Muslims have been involved in a game that has been larger and tougher than their capacity to cope. Throughout their history, up to the present, they were safest when they were part of a multinational coalition with their position protected by a strong central government. Their existence within the Ottoman Empire constituted their golden age, because they were considered part of the ruling class (as a matter of fact, they enjoyed as

¹⁸² Rusinow, D. I., *Nationalities Policy and the 'National Question, Yugoslavia in the 1980s*, p. 137, Boulder, Westview Press, 1985.

¹⁸³ Borowiec, A., *Yugoslavia After Tito*, p. 6, New York, Praeger, 1977.

¹⁸⁴N. L. Karlovifi's presentation of data on regional standards of living discounted the oft-repeated hypothesis that Croats in general enjoyed a higher standard of living than Serbs. He thus contended that "the level of social development per se does not play a major role to the Croat-Serb conflict, as most studies would suggest." He noted that a correct calculation of personal income for both regions showed that, overall, Serbs and Croats had achieved an equal standard of living. Nevertheless, there appeared to be no increased sense of "convergence of interests and policies based on socio-economic criteria" because Croatia had become the subordinate member of a core-periphery relationship with the Serb-dominated core. "Internal Colonialism in a Marxist Society, the Case of Croatia," *Ethnic and Racial Studies* 5, pp. 283, 284-286, July 1982. Andrew Borowiec captured the mood of the 1970s when he wrote that "the statistical Yugoslav lives better than ever before; at the same time, statistics can't measure his increasing frustration: contact with the West has convinced him that under a different system he could have done much better." *Ibid.*, p. 6. On the other hand, a 1986 poll conducted by the Institute for Sociological Research at Belgrade University's Department of Philosophy found that 43.1 percent of the respondents preferred a "Western market economy," whereas 53 percent were satisfied with the Yugoslav system of self-management. Popoyie, M., "Beogradjani o socijal-izmu," *NIN*, p. 18, 7 September 1986.

much as the Turks wanted to give them). When the Ottoman Empire collapsed, the Bosnian Muslims' influence in the region collapsed, as well.

The modern tragedy was of medieval proportions, but the last stage, signed at Dayton, put an end to the atrocities and lighted a new hope in the hearts of this people, that of European integration. The Bosnian Muslims' stand relative to European values was clearly expressed by a Bosnian Muslim religious leader, Mustafa Cerić:

The truth is that the Muslims in this country do not understand Islam.... They do not practice Islam, they have only their names which are Muslim, and that is a tradition. Some of them do not even know they are Muslim. And yet, as Muslims in this country, we live in a paradox all the time. On the one hand we are European, on the other we don't know what to do about Europe. We cannot at the moment love it, we cannot trust it, we cannot hate it, we cannot deny it, for we are part of it. We are in a similar position in relation to the Serbs and the Croats, with whom we share this country, and who disagree between themselves over everything except for one thing: their relationship to the Muslims, and their common need to destroy us. We simply do not know what to do, or where to place our faith.¹⁸⁵

American diplomacy and NATO liberated them, and they still protect and help them strengthen their institutions with the money the EU is providing. The completion of the Road Map compiled by the EU to get BiH closer to the EU is movement in the right direction. On the other hand, it means that the Bosnians or the Muslims of Bosnia have chosen their way of life¹⁸⁶.

2. Islam in Albania

Land of Albania! Let me bend mine eyes
On thee, thou ragged nurse of savage men!
.....
(From Lord Byron, *Childe Harold's Pilgrimage*)

During almost the last fifty years in socialism, the Albanians, quite differently from the rest of the Western Balkans, were forbidden to practice their religion or any religion. Albania was the first country in the world without churches and mosques, without priests and mullahs. In the early nineties, when the democratic revolution

¹⁸⁵ Cited in Ed Vulliamy, *Seasons in Hell: Understanding Bosnia's War*, pp. 68-69, New York, St Martin's Press, 1994 (emphasis in original).

¹⁸⁶ *Second Annual Report of the Stabilization and Association Process for Southeast Europe. Commission of the European Communities*, Brussels, March 2003.

succeeded and Albania started its journey to Euro-Atlantic integration, religious practices were allowed. Not knowing anything about religion or having any religious affiliation, more than eighty percent of the population began to identify themselves, according to their family tradition, as Muslims (two thirds), Catholics or Christian Orthodox.

In this regard, one of the most natural questions to emerge is how, why and when Islam was born in Albania, a European Christian country from the first centuries of the Christian era, with Durrës on the Adriatic Coast an important Christian center? However, when the Roman Empire was divided into East and West (395), the province of Praevalis (Doclea-Scodra) in the north and the rest of Albania, although politically part of the Eastern Empire, remained dependent on Rome ecclesiastically. In 732, Leo the Isaurian detached these lands from Rome and subordinated them to the Patriarchate of Constantinople. The situation changed in the following centuries when the two churches were drifting apart¹⁸⁷.

For almost four centuries after the schism, Albania was a battleground between East and West, with the boundaries of the Roman Catholic Church and of the Orthodox Church reflecting the fortunes of the political powers supporting them. The distribution of Catholicism and Orthodoxy in Albania is the heritage of these four centuries of East-West struggle¹⁸⁸.

Islam was introduced into Albania with the Turkish invasion toward the end of the fifteenth century. The conversion of the people to the faith of the invaders was a very slow process. In the north, the propagation of Islam met Roman Catholic opposition. Waves of conversions occurred when such Catholic powers as Venice and Austria were at war with the Ottoman Empire¹⁸⁹.

The Orthodox Christians in the south suffered a different fate during the first centuries of Turkish domination. After the fall of Constantinople in 1453, Mehmed II, in order to secure the allegiance of the Orthodox Christians in the Balkans, proclaimed himself the protector of the Orthodox Church, and a decree secured the old rights and

¹⁸⁷ When the definite schism occurred in 1054, the northern part of the country was placed under the jurisdiction of Rome.

¹⁸⁸ Zickel, R. E. and Iwaskiw W. R., *Albania: a Country Study*, p. 82, Federal Research Division, Library of Congress, [Washington, D.C.], 1994.

privileges for the newly elected Patriarch and his successors. However, Islamic pressure was felt when the Russo-Turkish wars of the eighteenth century began¹⁹⁰.

Albanian literature, especially of the nineteenth century, lauded the pre-Turkish freedom of the Albanians and their wars against the Ottoman invaders. Later on, one of Albania's most celebrated poets, Frasheri (a Bektashi), sang in all his works of the love for the country and of the battles of the Albanians against the Turks¹⁹¹. Authors such as Konitza, Skendo, and Cajupi made love for the fatherland their main object. All those works prepared the Albanians for their war of independence, which they won on 28 November 1912.

Albania emerged from Turkish domination with about two-thirds of the population followers of Islam¹⁹². In the period between the two World Wars, independent Albania did not adopt a state religion. The constitutions of the Republic and of the Kingdom both declared that the Albanian state had no official religion, that all religions and faiths were respected, and that their liberty of practice was assured¹⁹³. Outstanding authors such as Fishta, Prennushi, Mjeda, Noli, Poradeci, and Migjeni introduced, in their books, the heroic life of the highlanders, the lyric spirit of the common Albanian, and the difficult economic situation under King Zog¹⁹⁴.

As soon as the Communist Party took over (on 28 November 1944), it brought all religious bodies under the complete control of the government. The communists began to characterize dissenting clergymen as class enemies and to view the religious establishment as an antagonistic contradiction within Albanian society. Accordingly, they took steps to combat and at least neutralize the threat that, in their view, religion and religious bodies presented to their power and authority as well as to their program for building a socialist society. Their larger design, in strict accord with their Marxist-

¹⁸⁹Arnold, T. W., *The Preaching of Islam: A History of the Propagation of Muslim Faith*, London, Luzac and Co., 1935.

¹⁹⁰Jacques, E. E. "Islam in Albania," *Muslim World*, v. XXVIII, pp 313-14, July 1938.

¹⁹¹He was a Bektashi, but Bektashis in Albania tended to be patriotic and nationalistic (Norris, H.T., *Islam in the Balkans*, p. 95, Columbia, University of SC Press, 1993).

¹⁹²Sunnis are the great majority of the Muslim population in Albania.

¹⁹³Hasluck, M. "The Nonconformist Muslims of Albania," *The Contemporary Review*, v. CXXVII, pp 599-606, London, May 1925.

¹⁹⁴Kolijqi, E. "Nuove correnti della moderna letteratura albanese," *L'Albanie Libre*, p.3, Rome, 28 November 1953.

Leninist outlook, was to eliminate religion as a feature of Albanian life¹⁹⁵. To dethrone God and replace him with the trinity of materialism, science, and reason, the advocates of atheism relied not only on communist doctrine but on such disciplines as history, science, cultural anthropology, biology, medicine, and philosophy.

The Hoxha leadership¹⁹⁶ maintained that religion is alien to the Albanian people, since all three faiths in contemporary Albanian society were brought into the country by alien powers. In Hoxha's view¹⁹⁷, since religion was used by enemies of the Albanian nation against the national interests of the Albanian people, enlightened leaders of the country could not be expected to have much sympathy for it. The result was that the nationalist movement assumed a nonreligious character, and, in fact, prompted leaders of the Albanian national movement to discourage religion in order to encourage nationalism. A celebrated slogan of the time was: "The religion of the Albanian people is Albanianism." Thus, the poet Pashko Vasë Shkodrani (1825-1892), addressing himself to the Albanian people, wrote:

Christian and Muslim priests have benumbed you,
To divide you, and impoverish you!
Look not to churches and to mosques,
For the religion of the Albanian is Albanianism!

Albanian nationalism thus provided the Albanian communist regime with a powerful base from which to mount an attack on the various religious bodies in the country¹⁹⁸. Religion was seen not only as an accomplice, so to speak, of a pervasive social evil but as the ideological basis for the evil. A major aspect of this evil was the inferior and restricted position of women in Albanian society, for which religion was severely blamed.

After the 5th Congress of the Communist Party and Hoxha's speech of February 6, 1967, the struggle between communist atheism and religion assumed the character of a major movement with a profound ideological content. The youth and other masses of the people in villages and cities demanded that the mosques and churches, temples and

¹⁹⁵ *Dokumenta kryesore te P.P.SH. I* [Main documents of APL], v.1, p. 357, Tirane: Instituti i Historise se Partise prane K.Q. te P.P.SH., 1960.

¹⁹⁶ Enver Hoxha was the First Secretary of the Albanian Communist Party, PLA, from 1941-1985.

¹⁹⁷ Hoxha, E., *Report on the Role and Tasks of the Democratic Front for the Complete Triumph of Socialism in Albania*, p. 65. Naim Frasher Publishing House, Tirane, 1967.

monasteries, all the "holy places," be closed down; that the clergy give up their parasitic life and become working people living like everyone else.

With the destruction of religious centers, the important bases, which "poisoned human minds and served as hotbeds for hostile activity," were wiped out. Thus, Albania became the first country in the world without churches and mosques, without priests and hodjas¹⁹⁹.

The new Constitution officially banished religion from the Albanian state²⁰⁰.

Hoxha's successor, Ramiz Alia, adopted a relatively tolerant stance toward religious practice, referring to it as "a personal and family matter." Émigré clergymen were permitted to reenter the country in 1988 and officiate at religious services. Mother Teresa visited Tiranë for the first time in 1989, where she was received with great love by every Albanian. She was received by the representatives of the last communist government, as well, such as the foreign minister and Hoxha's widow. In December 1990, the ban on religious observance was officially lifted in time to allow thousands of Christians to attend Christmas services²⁰¹.

Religious leaders estimate that 95 percent of all mosques and churches had been razed or gutted during the years of communist rule. A few had been spared and designated as "cultural monuments." Others were converted to sports arenas. The status of the clergy was equally appalling. There were no Muslim clerics, as Albanian schools remained secular. Nevertheless, in 1992 plans were under way to restore the houses of worship, and seminaries were being reopened to teach young Albanians who knew virtually nothing about their religion. Some properties have been returned and the government has declared its willingness to return mosques and churches to their owners, but progress has been slow. At this time, some mosques from the Ottoman period were renovated by Turkish aid. Saudi Arabia finances the construction of new ones.

¹⁹⁸ *Nentori*, v. 21, no. 2. p. 144, February 1974.

¹⁹⁹ *The History of the Party of Labor of Albania*, p. 485, Naim Frashëri Publishing House, Tiranë, 1981.

²⁰⁰ The document comments initially that the "foundations of religious obscurantism" have been smashed in Albania. Article 37 says unequivocally "The state recognizes no religion whatever and supports atheist propaganda for the purpose of inculcating the scientific-materialist world-outlook in [the Albanian] people" (*Kushtetuta e Shqipërisë*, Tiranë, 1976).

²⁰¹ Zickel, p. 82.

During the first years of the transition period (early nineties), when the country faced immense economic difficulties, and the government, for economic purposes, entered Albania into the Organization of Islamic Conference (OIC), some Islamic NGO's, mostly from Saudi Arabia, were able to penetrate Albania trying to start their activity under the humanitarian cover. The Albanian membership in the OIC probably encouraged those NGO's, which, as a matter of fact, not only became very active in religious affairs, but opened also an Islamic Bank in Tirana²⁰².

Young students were sent to Turkey, Saudi Arabia, Egypt, Malaysia and Pakistan to study Islamic theology. Most of them could not endure the life and customs of these schools and turned back. Others succeeded, and today, they serve in different parts of the country as clergy. People say that they behave differently. They tend to be violent and refuse to discuss their views and their new stand, which are against the Albanian traditional customs. Some of them have money and they are able to build new mosques when the traditionalists oppose them as it happened in Dragostunjë²⁰³.

On the other hand, a struggle for power between the young mullahs, educated from Islamic Universities, and the old generation is noticed in the Muslim Hierarchy²⁰⁴.

Beginning in November 1995 some Islamic high schools were opened in Albania including "Liria" in Elbasan, "Hoxha" in Gjirokastrë, "Hafiz Ali Korça" in Kavajë, "Haxhi Sheh Shamia in Shkodër" and "Haxhi Hafiz Mehmet" in Tiranë. In December of 1999 "Vexhi Buharaj" was opened in Berat and "Mustafa" in Durrës. Several hundred students from very modest families attend these schools.

In the wake of September 11, Albania continues to be an active partner in the fight against international terrorism, pledging "any and all assistance" to US efforts. Government and political leaders quickly condemned the attacks. The Government also pledged NATO access to air and seaports for units participating in Operation Enduring Freedom, and Albania was almost the only country from the Western Balkans to support the war against terror in Iraq and sent its troops in both operations. In addition, the parliamentary Assembly called upon all banks in Albania to locate the accounts of

²⁰² In its 1997 Report on Human Rights, the State Department said that, according to the Minister of Culture, there were 20 different Muslim societies and sects with around 95 representatives in the country.

²⁰³ "Radikalizmi Islam në Dragostunjë (Islam radicalism in Dragostunjë)," *Zëri i Popullit*, 28 January 2003.

individuals suspected of possessing terrorist ties and to prevent fund withdrawal or transfer. The Albanian courts already have frozen the assets of one suspected al-Qaida supporter, and the Ministry of Finance is working to strengthen its anti-money laundering legislation.

The Albanian Government simultaneously raided the Tirana headquarters of four Islamic-based NGOs believed to be involved in international Islamic extremism, detained and interrogated their principal officers, then deported them, together with their families, into the custody of police authorities from their home countries. From late October through December 2001, Albanian authorities conducted three additional raids: two on Islamic based NGOs suspected of supporting extremist activity, and the third on the Tirana headquarters of an Albanian business owned by a suspected al-Qaida supporter watch listed by the US Department of the Treasury. The Albanian government detained and interrogated those organizations' principal officers.

Albania continues to cooperate closely with US counterterrorism efforts on a number of levels and quite recently with the Britons. However, grossly insufficient border security, corruption, organized crime, and institutional weaknesses combine to make Albanian territory an attractive target for exploitation by terrorist and Islamic extremist groups²⁰⁵.

In their approach to the future the Albanians look to Europe, the United States and the West in general²⁰⁶. Very significant is the fact that during the difficult years of transition no Albanian from the almost one million who left the country went to the Islamic countries. They went to Western Europe, the United States and Canada. This outlook of the Albanians is mainly based on the Albanian traditional culture²⁰⁷. It is not by chance that Mother Teresa is an Albanian. The beauty of her spirit reflects the deep Albanian compassion and altruism known through history. When she took the Nobel Peace Prize in 1979, she said:

²⁰⁴ "Opposition in the Muslim General Committee," *Shekulli*, 28 January 2003.

²⁰⁵ *Religious Freedom World Report, Prepared by the International Coalition for Religious Freedom*, Department of State, Updated: 10/15/2002.

²⁰⁶ West, R., "The Victory of Faith," *The Independent Magazine*, pp. 22-27, London, 17 August 1991.

²⁰⁷ Norris, H.T., *Islam in the Balkans, Religion and Society between Europe and the Arab World*, p. 277, University of South Carolina Press, 1993.

I choose the poverty of our poor people. But I am grateful to receive (the Nobel) in the name of the hungry, the naked, the homeless, of the crippled, of the blind, of the lepers, of all those people who feel unwanted, unloved, uncared-for throughout society, people that have become a burden to the society and are shunned by everyone.

More than one hundred years ago the most celebrated Albanian poet, Frasheri, said, "For the Albanians the sun rises in the West." It rises in the West because of the deep Albanian roots, because Albania and the Albanians are part of the West and belong to the West. The sooner the West acts the better for every one.

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CONCLUSIONS

After the sudden and dramatic collapse of communism in Eastern Europe in 1989 the notions of a 'return to Europe' and a 'common European house' emerged as powerful concepts, particularly in the Western Balkans. But, as in the fairytales, the Western Balkans had to walk through Purgatory on its road to Europe. A bloody war dragged on for ten years involving Serbs, Croats, Bosnians, Slovenes and Albanians. It is currently contained, but hundred of thousands of people in the region lost their lives. Women and children were killed, violated and displaced by terror and genocide; their homes were destroyed. It is not easy amidst this suspicion, hatred, discontent and extremism to iron things out.

In spite of all this, today the peoples and governments of the Western Balkans are committed to leaving the past behind. One of the most promising facts is the increased frequency and substance of the bilateral and multilateral contacts of the Western Balkans states regarding various issues and problems of national and regional importance, such as border management, the fight against corruption, dual citizenship, the return of refugees, pension and social security rights, economic cooperation etc. The most significant development has been the efforts of the Albanian and Serbian governments to reestablish normal relations and contacts after ten years.

Present European policy aims at making the Balkans prosperous so as to bring to Europe not only the Balkans' marvelous nature and resources, but also its human and cultural energy. It aims at getting rid of the old animosities of the region, defusing the tensions, and restoring law and order throughout its southern borders through the integration process for the Southeastern Europe (i.e., the Stability Pact for South Eastern Europe, the Stabilization and Association Process, and the CARDS program).

The Stabilization and Association process is a long-term policy aimed at establishing the rule of law, democratic and stable institutions, and a free market economy in all the states of the Western Balkans, paving their road to the EU. But the principle of conditionality, clearly expressed in the Stabilization and Association process, clashes with the principle of regionality of other European initiatives for the Western Balkans (such as the Stability Pact for Southeastern Europe). The integration process,

which excludes parts of the region (Bulgaria, Romania and Slovenia), may deepen the differences, and, in this context, may endanger regional stability. All the same, it may enhance parasite economies based on crime, clientelism and corruption, rather than on economic reform.

On the other hand, the policies of the Stability Pact as long-term structural projects are threatened by the anxiety and expectations of the region to produce sustainable and reliable results in the short term. So, conditionality creates differences and tensions that regionality cannot overcome.

Furthermore, the regionality principle and EU enlargement are dividing the Balkans into two different parts. Slovenia, Romania and Bulgaria are candidate countries seeking EU membership in the next round of enlargement (Slovenia will join the EU in 2004, Romania and Bulgaria in 2007). The EU will thus separate the region, while simultaneously promoting multilateral cooperation among its states. Thus, regional cooperation as a pre-accession condition may slow the progress of democratic reforms and the rule of law, creating new tensions in the Western Balkans.

The Stability Pact for Southeastern Europe faces tension even between Balkans difficulties and European preferences. To restore lost confidence in the Stability Pact Office, western democracies may reconsider the priorities of the region and offer more suitable ones to the international donor community.

On the other hand, the Pact is not entirely an EU responsibility. The European Union manages only the Regional Table. In this context, the realization of the Stability Pact will require the European Union to take full responsibility for its implementation.

The World Bank, appropriately, leads Working Table Two. NATO, for political purposes, is not the leading organization for Working Table Three, in spite of the large presence of the North Atlantic Alliance throughout the western part of the Peninsula.

The fact that the two initiatives, the Stability Pact and the Stabilization and Association Process, have the same object, i.e. the development of the Western Balkans and bringing the states of the region closer to Europe, presents an important problem--how to harmonize these two policies. This concern links permanently the process of regional security and stability in the Western Balkans to the process of European

enlargement. However, the EU took the necessary precautions to connect the European perspective for the Western Balkans with the Copenhagen Criteria. Conditionality became the main principle for the “pre-pre-accession” of the Western Balkans.

However, there is not any clear connection between the Stability Pact and the Stabilization process, despite the fact that the instruments of the Stability Pact contains the expression “The Stability Pact is complementary to the Stabilization and Association Process and the accession process.” Nevertheless, negotiations for the Stabilization and Association Agreements will be opened bilaterally. By this logic, reform assistance and closer relations will be granted to countries that have already managed to fulfill the basic criteria, while the countries which are behind in the reform process or which exhibit “Stabilization deficits” will not qualify for the conditional EU offers.

The Stabilization or pre-accession process creates new difficulties among the countries of the region. It deepens the gap between the advanced and the less advanced, the stabilized and the “problematic” countries, increasing the frontiers between the poor and the rich, the secure and the insecure countries, thus undermining regional cooperation and accentuating the Balkans differences. This may generate new tensions in the region.

The present accession procedure is long, complicated and drawn out with ample scope for difficulties to arise and for individual member states and EU institutions to delay or even sabotage the process.

Considering the region’s unequal capabilities, the financial burden of reconstruction and stabilization, as well as the potentially counter-productive effects of EU initiatives for the region, the problems of the Western Balkans can be better solved by including all countries of the region in the same process of European enlargement. This policy is based on the economic strength of the EU and the very small economic proportions of the Western Balkans.

This idea gives priority to the economic rather than to political or civil-society incentives and gives preference to European solutions over bilateral support for reform efforts or intra-regional cooperation.

The partial integration would dramatically improve the situation and would help to fulfill very soon all the conditions of the pre-accession process. Otherwise, it will take

decades for the Western Balkans to meet the requirements posed by the present European initiatives.

Partial membership would introduce a model of enlargement “light” for the Western Balkans, assuming the EU accepted compromises in the adoption of the *acquis*, and if the countries of the region gave up some of the principal rights of full membership.

On the other hand, European accession does not provide any instant solution to all Western Balkans problems and, in particular, does not, in itself, guarantee economic success. But it will offer a chance to attract the foreign investments and EU financial aid desperately needed for economic development and enhanced growth. Thus, the whole region could move quite soon to free trade and a customs union, to a currency dependent on the EURO, and, thereafter, to the EURO itself.

Partial integration would prevent the Western Balkans economy from depending on state subventions or international assistance. It would prevent the weak governments of the region from abandoning or slowing down the program of reforms. Partial integration would have a strong positive impact on the intra-regional trade and bilateral relations with the EU because the borders would be open for free movement for people and goods.

Furthermore, partial integration would help individual Western Balkans countries prepare for European integration. It could group other initiatives and forms of cooperation around the Stabilization and Association Agreements and would contribute to the realization of the Stability Pact. It would extend the European Economic Area, trade facilitation, and free trade agreements (similar to those of the member or candidate states), and introduce the EURO throughout the Western Balkans.

Some of the above elements, especially those concerning trade, could be implemented throughout the region, thereby enhancing regional cooperation between EU candidate states (Slovenia, Rumania, and Bulgaria) and the Western Balkans. Thus, this different integrating policy would not diminish the conditionality of the EU pre-accession process.

As noted above, the policy of ‘partial integration’ or ‘observer status’ is not against the previous initiatives. Rather, it reorganizes the Stability Pact, the Stabilization

and Association Process, the CARDS-program, the Europe-Agreements and Accession Partnerships, creating a new framework with a clear picture of the conditions and steps of each phase. From this perspective, this integration policy for the Western Balkans involves the EU as a whole in dealing with other concerned organizations.

This strategy brings together the policies of the Stability Pact, which are aimed at regional cooperation, and the Stabilization and Association process, which is oriented towards conditionality and bilateral negotiations. It focuses on concrete options and specific policy areas. The coordination of both initiatives may outline a functional cooperation program for the EU institutions, other organizations, and the governments of the Western Balkans.

This different model would speed the integration process in the Western Balkans, creating real prospects for both political and economic success. At the same time, this policy would make manageable the expectations and the apprehensions that have emerged in different Balkans states. It could serve as a cure for the two main problems of the Western Balkans: poverty due to unemployment and weak economies, and criminality. But the Union, before taking this course, should modify the Copenhagen Criteria.

The partial membership of the Western Balkans wouldn't cause serious problems vis-à-vis the old policy concern of 'widening versus deepening', which goes back at least as far as the first EU summit at the Hague in 1969. The partial membership cannot create any potential conflict in the practical effects of the EU's institutions. It may not impose strains on particular aspects of EU policy because all the countries of the Western Balkans will have an observer status.

In this way, a partial integration of the Western Balkans would not have any impact on the decision-making and the working relations of the EU member states. However, it could raise a lot of objections because it would change totally the principle of enlargement and would disregard the conditionality posed for the Luxembourg Six and the Helsinki Six. It might slow down the processes of European enlargement and might generate strong opposition from the ten newcomers. It might raise problems within the EU-15, and the European Union's voters might not be very supportive. It might place into

question the process of enlargement as a whole, and from this perspective it might cause problems. But the bottom line is that it would be less expensive, it would defuse tensions throughout the Balkans, and the “powder keg” in the backyard of Europe would be defused.

Since the collapse of Yugoslavia, the Euro-Atlantic institutions have taken responsibility for the security of the Western Balkans, and the region has become their permanent concern. The stabilization of the Western Balkans and the overcoming of past and recent mistrust and suspicion between different peoples of the region are crucial challenges on the way to a sustainable pan-European security and prosperity. They are also real tests for the Common Foreign and Security Policy of the European Union. Therefore, NATO and the EU military presence continue to assist in BiH, Kosova and Macedonia with the assistance of other friendly states.

This short note shows that the Western Balkans, de facto, is part of the North Atlantic Alliance Area. None of these states directly involved in the war had the membership card, but they have been treated according to Article 5 of the Alliance: Serbia attacked them and NATO attacked Serbia. But, in spite of the aspirations, the summit of Prague left behind the Western Balkans for future consideration. But it did not give up struggling for the membership card. Albania, Croatia, Macedonia and the United States will closely cooperate under the Adriatic Partnership Charter (working program) for full integration into NATO and other European institutions.

So why not grant them an official invitation? In their approach to the future, the Western Balkans looks to Europe, the United States, and the West in general. Partial integration in the EU and NATO membership would be a lighter burden and the situation would improve very soon. It would defuse tensions in the region, and, above all, Western Balkans nationalism.

In this context, the final status of Kosova plays an important role for the stability of the region. So far, the Kosovars have suffered and fight and vote to have their own state based on the rule of law and integrated in the EU, opened to the International Community. The sooner this aspiration is realized the better for the Kosovars, for the region and for Europe.

Security, law and order, and economic development would be facilitated. Less money would be spent, and revenue would be maximized.

NATO membership and partial integration would help Serbia and Montenegro implement armed forces reform soon, preventing further bloodshed. It would suffocate and eventually annihilate the dark forces which assassinated Serbian Prime Minister Zoran Djindjic on 12 March 2003 and continue to threaten the transformations in the newly created federation. The new status would liberate the region from the darkness of the past as it struggles to survive the expenses of democratic transformation.

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