

European Integration and the Western Balkans: Lessons, Prospects, and Limits

Roberto Belloni

University of Trento

Article forthcoming in the *Journal of Balkan and Near Eastern Studies*, 2009.

* Many thanks to Audra Mitchell and David Phinnemore for their useful comments on a previous version of this paper. As always, any remaining error of fact or judgment is my own.

European integration is almost universally recognized as the key strategy for achieving the twin goals of peace and prosperity in the Western Balkans.¹ European policy makers trust that greater European involvement in the Western Balkans can have positive and long-lasting effects on the management of ethno-political conflict. The European Commission identified the prospect of EU membership as “the ultimate conflict prevention strategy” and committed itself to maintain and increase its pro-active presence in the region.² The academic near-consensus is that the Western Balkans’ greater involvement in European institutions is the necessary condition for stabilisation.³ But whether the focus is placed on Europe’s entry into the Western Balkans, or the Western Balkans’ entry into Europe, most observers agree on the positive effects of increased links between these two still quite distinct areas. Perhaps most importantly, these views are also shared by many politicians and citizens in the region, who are for once united in considering access to European political, economic and financial institutions as the long-term answer to fragmentation, conflict and economic backwardness. Opinion polls

¹ The Western Balkans refers to Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Serbia and Montenegro – countries which share a common perspective of European integration. South East Europe includes all of the Western Balkans, in addition to Bulgaria and Romania which joined the EU in January 2007.

² European Commission, *Western Balkans: Prospect of EU Membership Incites Peace in the Western Balkans*, 2006, p. 8, available at:

<http://ec.europa.eu/world/peace/geographical_themes/west_balk/index_en.htm>.

³ See, for example, J. Batt *et al.* (eds), *The Western Balkans: Moving On*, Paris: Institute for Security Studies, Chaillot Paper No. 70, Paris, October 2003; available at:

<<http://www.iss-eu.org/chaillot>>; International Commission on the Balkans, *The Balkans in Europe’s Future*, 2005, available at: <www.balkan-commission.org>; Independent Task Force, *Balkans 2010*, Council on Foreign Relations, New York, 2003.

regularly show levels of popular support for European integration ranging between 75 and 85 percent.

This paper dissects the optimistic view that integration into European institutions represents the best conflict management/development approach for the Western Balkans. The focus is not on the details of the various programs of EU assistance to the region,⁴ but on the “big picture”, that is, the comparative advantages and disadvantages of the European integration strategy. First, I begin by putting this strategy into the political context where it originated. Widespread agreement on the need for European integration stems from disillusionment with the failures of managing the violent process of Yugoslav dissolution throughout the 1990s, and then with the difficulties faced by post-conflict international peacebuilding missions – particularly the one to Bosnia-Herzegovina. Accordingly, I start with a brief overview of the lessons learned in this process, followed by the reforms adopted in light of these lessons. Second, I review the advantages and opportunities that European integration presents when compared to previous involvement. Only when contrasted with the limits of the earlier *ad hoc*, short-term, and un-coordinated approach does European integration emerge as the potentially most effective strategy. Third, I assess the numerous limits of European integration, drawing attention to the problematic and often neglected aspects of greater European involvement. Empirical illustrations are drawn from Bosnia-Herzegovina, Kosovo and Macedonia – the most volatile states in the region.

⁴ EU programs can be accessed at: <<http://ec.europa.eu/enlargement>> For an assessment see: J. Brennan, *The EU and the Western Balkans: Stabilization and Europeanization Through Enlargement*, Routledge, London and New York, 2008.

As a whole, my argument is that the process of European integration provides a useful framework to guide international involvement in the region and a step forward compared to previous international practice. However, the effort to promote peace, democracy and stability through integration is fraught with obstacles. Although the Western Balkans is en route to inclusion in European institutions, it remains a region “in transition” – one requiring a long-term, carefully tailored approach to build confidence among the parties, define the terms of multi-ethnic coexistence and the nature of post-war democracy. In particular, European institutions and member states need to improve the coherence of their policy towards the region, focus less on a Europeanized political elite and more on citizens and civil society organizations, and carefully deploy incentives and rewards to sustain the reform process that is already under way.

Lessons Learned

The track record of international involvement in the region is decidedly mixed, and the aim of this section is to highlight the troubling lessons learned from multilateral involvement in the 1990s, with special reference to the role played by European institutions.

European institutions lacked the military capability for conflict intervention.

European institutions failed to address the evolving crisis of the 1990s. In part, this failure has been of a military nature, and in part it reflected the lack of political cohesion among key international/European actors (see below). Militarily, European institutions did not possess the capabilities to deploy credible force to prevent or stop the escalation of war. Moreover, multiple chains of command made it very difficult to fill the gap

between the threat of intervention and the actual use of force. The “dual key” command structure, requiring the approval of both the UN and NATO to use air power, guaranteed almost continuous inaction in face of civilian suffering in Bosnia – until the United States took the lead, bombed Bosnian Serb positions and negotiated an end to the war.⁵

European institutions lacked the political unity to address the crisis. Jacques de Poos, Foreign Minister of tiny Luxembourg and Council of Ministers President at the outset of the crisis in June 1991, optimistically announced Europe’s readiness to tackle the Yugoslav problem. Europe, however, lacked the necessary unity and resolve to follow through on this.⁶ The most striking political divisions among European allies involved Germany on the one hand and the United Kingdom on the other. While Lord Carrington, the former British Foreign Secretary, attempted to find a comprehensive political solution to the evolving political crisis at the Yugoslav conference in the Hague, Germany broke ranks with her European (and transatlantic) allies, advocating full recognition of Croatia in the name of the right of self-determination and as a deterrent to Serb aggression.⁷ Perhaps unsurprisingly given these internal divisions, Europe’s main political strategy

⁵ The “dual key” was abandoned on 21 July 1995 at the London Conference, opening the way for more assertive (and ultimately successful) diplomacy. See S. L. Burg and P. S. Shoup, *The War in Bosnia-Herzegovina: Ethnic Conflict and International Intervention*, M. E. Sharpe, Armonk, 1999, p. 344.

⁶ Susan L. Woodward, *Balkan Tragedy: Chaos and Dissolution After the Cold War*, The Brookings Institution, Washington, D.C., 2005, especially chapter 6.

⁷ B. Crawford, ‘Explaining Defection from International Cooperation: Germany’s Unilateral Recognition of Croatia,’ *World Politics*, 48(4), 1996, pp. 482-521. See also, more generally, R. Caplan, *Europe and the Recognition of New States in Yugoslavia*, Cambridge University Press, Cambridge, 2005.

throughout the 1990s was to contain the conflict while preventing its cross-border consequences.

European institutions lacked experience and expertise to address the crisis.

Europe's lack of a strategy also depended, at least in part, on its limited foreign policy experience. When Yugoslavia began to dissolve in the early 1990s European institutions did not have any experience in dealing with armed conflict, nor did they consider enlargement to be a useful stabilizing tool. Put it another way, the European toolbox was relatively empty. By contrast, at the time of the Kosovo crisis in 1999 the EU recognized enlargement as a valuable tool to bring about political change, and responded with the creation of the Stability Pact (see below) and the perspective of full integration of the South East Europe (SEE) into Europe.⁸

Post-war, multilateral intervention displayed similar divisions among third parties. Once the guns fell silent, the task of post-war political, economic and social reconstruction presented international interveners with a tremendous challenge. Unfortunately, the conflicting assessments and the different priorities of international actors complicated the effectiveness of interventions. In Bosnia, international divisions were reflected in the architecture of the post-Dayton peace operation, with a sharp separation between the military component led by the Americans and the civilian one controlled by the Europeans.⁹ In Kosovo, third parties created a more coherent international structure (the four-pillar UNMIK) following the 1999 war, but never quite

⁸ L. Fris and A. Murphy, 'Turbo-Charged Negotiations: the EU and the Stability Pact for South Eastern Europe,' *Journal of European Public Policy*, 7(5), 2000, pp. 767-786.

⁹ R. Belloni, *State Building and International Intervention in Bosnia*, Routledge, London and New York, 2007.

comprehended the long-term character and nature of the dispute and acted too slowly, particularly in providing effective policing.¹⁰ By contrast, international actors in Macedonia have learned from the failures of Bosnia and Kosovo. Strategic coordination among international interveners is often credited with the overall stability and democratic development of this country after it found itself on the verge of bloodshed in 2001.¹¹ Overall, however, post-war international involvement reflected the growing influence of the respective national interests of the intervening states at the expense of a common European policy/strategy.

Top-down international imposition created domestic dependency. In the attempt to further the various peace processes in the region external actors have frequently imposed decisions and policies on reluctant domestic ones. This strategy has led to a significant free-riding phenomenon. In Bosnia, which since 1998 has been run as a semi-protectorate, local politicians have regularly maintained an intransigent attitude, avoided inter-ethnic cooperation and accommodation, and then blamed international organizations for their own failure to make good on their electoral promises.¹² In Kosovo, international interveners have imposed a set of “standards” to be achieved before any meaningful discussion of the province final status could begin. Serbs reacted by boycotting local institutions, while Albanians for the most part paid lip service to international priorities.¹³

¹⁰ I. King and W. Mason, *Peace at Any Price: How the World Failed Kosovo*, Cornell University Press, Ithaca and London, 2006.

¹¹ V. Latifi, ‘Preventive Engagement of the International Community: The Model Case of Macedonia?’ *Foreign Policy in Dialogue*, 8(2/3), 2007, pp. 32-38.

¹² R. Belloni, op. cit., pp. 176-177.

¹³ I. King and W. Mason, op. cit., pp. 234-239.

Following Kosovo's independence, declared in January 2008 and recognised by more than 50 states worldwide, an International Civilian Representative was deployed under the aegis of the EU and was granted executive powers similar to those held by the High Representative in Bosnia. Although the EU's envoy in Kosovo is not expected to pass laws by decree, as in Bosnia, but 'only' to prevent the adoption of measures that might undermine the process of stabilization, these powers might lead to forms of domestic dependency. Only in Macedonia have international powers not been blatantly used. Both Slav Macedonian and Albanian elites have recognized the dangers of inter-ethnic confrontation and accepted the need to compromise, although they have dragged their feet in the implementation of the reform agenda.¹⁴

Top-down international intervention prevented meaningful partnerships with local actors. Post-war international intervention has modelled after a general template, including economic and political liberalisation and support for civil society programs, the return of refugees, demobilization and reconstruction projects.¹⁵ Despite the size of the task, which suggests the need for a comprehensive and long-term approach, short-term priorities shaped international involvement. In our post-colonial age the pressure to demonstrate quick and visible positive results to legitimate international involvement is strong. Due to the brevity of projects, international agencies had little scope to develop significant local partnerships and include local actors in a process of joint planning, implementation, and assessment. For all of the 1990s and well into the 2000s,

¹⁴ V. Latifi, op. cit.

¹⁵ R. Paris, *At War's End: Building Peace After Civil Conflict*, Cambridge University Press, Cambridge, 2004; A. Jarstad and T. D. Sisk, eds., *From War to Democracy: Dilemmas of Peacebuilding*, Cambridge University Press, Cambridge, 2008.

international intervention has been a largely top-down, frequently short-term and *ad-hoc* enterprise, moving from crisis to crisis and unable to develop a coherent, shared and effective conflict management strategy.¹⁶

Reforming Europe's Ways

These lessons, arising from more than a decade of external involvement in the region, have been gradually learned – at least to an extent. Perhaps counter-intuitively, the Balkans have changed Europe and the EU as much as the EU is currently trying to change its southeastern neighbours. The European failure to address the crisis throughout the 1990s contributed to a process of reform aimed at strengthening European political and military capabilities. Through a slow, step-by-step approach, both military and political capabilities were built, until the EU emerged as the central player in the region in the areas of conflict prevention and management. Since 2000, when the EU offered the entire South East Europe (SEE) area the prospect of membership, its influence grew even more. Normatively, the EU's offer required a transformation of the European perception of its "other." Despite its reputation for divisiveness, war and carnage,¹⁷ SEE is not external to European civilization, and should not be kept at arm's length. Europe's main

¹⁶ P. Siani-Davis (ed.) *International Intervention in the Balkans: A Critical Evaluation*, Routledge, London, 2003; R. G. C. Thomas (ed.) *Yugoslavia Unravelling: Sovereignty, Self-Determination, Intervention*, Lexington, Lanham, MD; S. Sampson, *Weak States, Uncivil Societies and Thousands of NGOs: Western Democracy Exported as Benevolent Colonialism in the Balkans*, Lund, June 2002, draft.

¹⁷ M. Todorova, *Imagining the Balkans*, Oxford University Press, New York, 1997.

“other” is not identified by geography, but by Europe’s own history.¹⁸ Symbolically, SEE embodies Europe’s own recent, bloody past, not its “other,” and should be included in the European mainstream. Thus, the key change in the European approach involved a shift from a view of the region as irremediably alien, leading to a policy of containment, to a view that stressed the common heritage and interlocked future between the two areas. Ultimately, this leads to a policy of inclusion/integration.

The 1999 Kosovo war was waged by NATO against the remnants of Yugoslavia, with no formal UN endorsement, and was in practice planned and executed by the United States. This war contributed decisively to a new consciousness about the role the EU could and should play in the region. In late 1998, France and the United Kingdom had already agreed at St. Malo that the acquisition of military means and the introduction of a more effective common defence policy was necessary for Europe. Following the Kosovo war, European Heads of State and Government met in Cologne and decided to speed up the development of capabilities and assets for conflict management. They agreed to make available by 2003 a 50,000-60,000 military personnel deployable within two months, to coordinate better political and military tasks within the Common Foreign and Security Policy (CFSP), and develop a framework for cooperation with NATO and third states. The creation of a Rapid Reaction Mechanism in February 2001 also enhanced the EU’s

¹⁸ O. Weaver, ‘Insecurity, Security and Asecurity in the West European Non-War Community,’ E. Adler and M. Barnett (eds.) *Security Communities*, Cambridge University Press, Cambridge, 1998, p. 100; O. Rehn, ‘Values Define Europe, not Borders’, *Financial Times*, 4 January 2005.

ability to respond to short-term crises, and proved to be a useful tool for crisis management before, during and after the 2001 Macedonian crisis.¹⁹

Later meetings of the European Council contributed further to developing European military, civilian and political capabilities and to deepening coordination and cooperation with other institutions. A framework Agreement signed by the EU's High Representative for CFSP Javier Solana and NATO's Secretary General Lord Robertson in March 2003 regulated the EU's access to NATO assets. Cooperation between these two institutions flows from common security concerns and shared membership, with nineteen EU states also members of NATO. As a result of these activities, a division of responsibilities has taken place. The EU focuses increasingly on police reform and internal security, while NATO deals with military issues.²⁰ New European civilian and military capabilities were soon put to the test with Operation Concordia and Operation Proxima in Macedonia and with a new EU police and military mission to Bosnia – both generally regarded as successful.²¹

Increasing EU police and military responsibilities in the Western Balkans do not represent a departure from its traditional emphasis on “soft power,” which gives prominence to confidence-building activities, support for judicial/police reform, and commitment to multilateral action and cooperation with other organizations such as the

¹⁹ S. Wolff and A. Peen Rodt, ‘The Reactive Conflict Management of the EU in the Western Balkans,’ paper presented at the International Studies Annual Meeting, Chicago, March 2007, p. 14.

²⁰ M. Sahlin, ‘NATO and EU Align Balkan Agenda,’ *Institute for War and Peace Reporting*, 20 April 2005 and, more generally, E. Pond, *Endgame in the Balkans: Regime Change, European Style*, Brookings Institutions Press, Washington DC, 2006.

²¹ S. Wolff and A. Peen Rodt, op. cit.

UN, NATO and the OSCE.²² EU soft power tends to be exercised through the gravitational force it projects towards its neighbouring states, in particular through its promise of association, and potentially accession, to European institutions. Through the Stabilisation and Association Process (SAP), launched in 1999 in response to the war in Kosovo, the EU stated that countries in the Western Balkans (including Bosnia, Macedonia, Serbia, Montenegro and Kosovo) are “potential candidates” for membership.²³ The SAP conditionality policy is a process involving several steps, and including the establishment of a Consultative Taskforce, the drafting of a Feasibility Study on a Stabilisation and Association Agreement (SAA), and the negotiation and ratification of the Agreement – which in turn opens the way for an application for EU membership. As a “process,” the SAP is designed to give interim rewards to those local politicians willing to embrace necessary but politically sensitive reforms.²⁴ Moreover, while developing this instrument to regulate each country’s journey towards joining the EU, European institutions have also begun addressing the Western Balkans as a region with common problems and prospects. The Stability Pact for Southeast Europe, launched

²² X. Solana, *A Secure Europe in a Better World: European Security Strategy*, 12 December 2003; available at <<http://ue.eu.int/uedocs/cmsUpload/78367.pdf>>

²³ COM(1999) *Communication from the Commission to the Council and the European Parliament of 26 May 1999 on the Stabilisation and Association Process for Countries of South-Eastern Europe*, No. 235, 26 May 1999.

²⁴ D. Reljic, ‘A Long Way towards EU Accession? Membership Perspectives and the Stabilisation and Association Process for the Western Balkan Countries,’ *Foreign Policy in Dialogue*, 8(2/3), 2007, pp. 16-23. See also Arolda Elbasani, ‘EU Enlargement in the Western Balkans: Strategies of Borrowing and Inventing,’ *Journal of Southern Europe and the Balkans*, 10(3), 2008, pp. 293-307, who highlights, correctly, how the SAP contains two hard-to-reconcile objectives – stabilization and association.

in June 1999 on the EU's initiative, attempted to replace a reactive intervention policy with a comprehensive long-term approach consciously modelled on the post-1945 Marshall Plan.²⁵ The Pact was structured as an internationally coordinating body for civilian aid. It aimed at developing a partnership between international and local actors and at creating the conditions for effective local ownership of the post-Yugoslav/post-war transition process.²⁶

The Thessaloniki European Council in July 2003 removed any doubt about the rationale and direction of this transition when it declared unambiguously that “the future of the Balkans is in the European Union.” The Council affirmed that accession to the EU will be dependent upon fulfilling the same requirements applied to central European states. Significantly, in late 2004 responsibility for the Western Balkans was transferred to the new EU Enlargement Commissioner, Olli Rehn. The shift from post-war stabilisation to an agenda of enlargement provided two important advantages compared to previous conflict management policies. First, addressing the situation in Western Balkans as an enlargement issue rather than a foreign policy one has allowed European

²⁵ All documents related to the Pact are available at www.stabilitypact.org For an assessment of the Pact's political significance, see M. Cremona, ‘Creating the New Europe: The Stability Pact for South-Eastern Europe in the context of EU-SEE Relations,’ *Cambridge Yearbook of European Legal Studies*, 2000, pp. 463-506.

²⁶ E. Busek, ‘Five Years of Stability Pact for Southeast Europe: Achievements and Challenges Ahead,’ Discussion Paper 70, Centre for the Study of Global Governance, London School of Economics, March 2004. Although the Stability Pact has been criticised for its scarce attention to civil society, it did achieve its objective of fostering local ownership. In February 2008 its competences and activities were transferred to the Regional Cooperation Council (RCC), a new institution under regional ownership.

institutions and EU member states to reduce ambiguities and divergent preferences.²⁷

Second, the promise of association and eventual membership has provided the EU with the opportunity to deploy the full strength of political conditionality.²⁸

Thus, since the end of the Kosovo war the goal of international intervention has shifted gradually from one of managing the consequences of the Yugoslav Succession Wars to that of integrating the Balkans into Europe. Since 2002 the High Representative in Bosnia has also represented European institutions and in 2005 his office formally became that of the EU Special Representative (EUSR), and was tasked with monitoring and assisting Bosnia in her progress towards EU integration. Likewise, Kosovo's future lies into EU integration. In 2003 the European Commission adopted a Tracking Mechanism for Kosovo to monitor its development in a variety of policy areas, followed in January 2006 by a European Partnership policy (not being a state, Kosovo could not have a SAA). Macedonia has made the most progress towards European integration, with the exception of Croatia. In April 2001, in the midst of this country's crisis, the EU signed an SAA with Macedonia and, few weeks later, it nominated an EU Special Representative. In early 2004 Macedonia submitted its application for EU membership, but then not only the country experienced a deteriorating internal political climate, but also it was caught in the European soul-searching process which followed the French and

²⁷ Centre for European Policy Studies, 'The Reluctant Debutante: The European Union as Promoter of Democracy in Its Neighbourhood,' CEPS Working Document 223, Brussels, July 2005, p. ii; available at <<http://shop.ceps.be>>

²⁸ W. P. Van Meurs, 'The Next Europe: South-Eastern Europe After Thessaloniki,' *South East Europe Review*, 6(3), 2003, pp. 9-16.

Dutch rejection of a proposed new EU Constitution.²⁹ Overall, the EU policy in the region has been aptly described as one of “conditional support for reforms in the direction of Europeanization”.³⁰ As European officials are fond of saying, the EU’s exit strategy for Bosnia, Macedonia and Kosovo is their entry into the Union.³¹

EUtopia: The Promises of Integration

At last, after more than a decade of ineffective, crisis-driven and reactive conflict intervention, the prospect of integrating the Western Balkans into European political, economic and military institutions appears to provide a long-term perspective to international involvement and a valuable conflict management tool. Conditionality (based on the short-term cost/benefit calculations in which EU aspiring members respond to the material incentives offered by European institutions) and social learning (the long-term redefinition of interests and identities of domestic players) are singled out as the two main pathways of EU influence in Western Balkans.³² These mechanisms represent a clear improvement vis-à-vis the limits of previous international intervention. The

²⁹ European Stability Initiative, *Moment of Truth: Macedonia, the EU Budget and the Destabilisation of the Balkans*, Berlin/Brussels/Istanbul, December 2005.

³⁰ Centre for European Policy Studies, op. cit., p. 7.

³¹ O. Rehn, op.cit.

³² B. Coppitiers et al., *Europeanization and Conflict Resolution: Case Studies from the European Periphery*, Academia Press, Gent, 2004; T. Diez, A. Mathias and S. Stetter (eds.) *The European Union and Border Conflicts: The Power of Integration and Association*, Cambridge University Press, Cambridge, 2008; N. Tocci, *The EU’s Role in Conflict Resolution: Promoting Peace in the European Neighbourhood*, Routledge, London, 2007.

prospect of European integration provides a long-term and coherent perspective, encourages domestic ownership and institutional development, supports stability and regional cooperation, and softens nationalist identities. Each of these promises deserves a short analysis.

Sustaining a Long-term and Coherent Perspective

To begin with, the idea of integrating SEE into the EU is a long-term vision that helps to articulate and sustain a coherent conflict management approach towards the region. Integration is an alternative to conflicting and contradictory objectives pursued through short-term, discrete interventions and projects. According to Solana, the European states' capacity to overcome their own narrow national self-interest gives the EU a unique advantage in its ability to export freedom, democracy and good governance.³³ To turn this vision into a reality, substantial financial resources have already been made available. The Stability Pact has been able to direct a considerable amount of funds towards the region. Under its stewardship, more than €25 billion has arrived in SEE from some fifty donor countries.³⁴ Since 1991 the EU alone has spent some €10 billion.³⁵ Perhaps more importantly, the EU budget covers a span of 7 years, allowing for the deployment of a long-term approach to post-war stabilisation and democratization.

Favouring Domestic Ownership

³³ X. Solana, op. cit.

³⁴ E. Pond, op. cit., p. 242.

³⁵ European Union/World Bank Joint Office for South East Europe, 'How Much money is being given?' (regularly updated); available at: <www.seerecon.org>

Europe's attractiveness to non-EU states can exert a positive reforming influence without necessitating civilizing missions or the blatant neo-colonial imposition of western institutions and policies.³⁶ As argued above, not only is external imposition of this kind a doubtful strategy reminiscent of a recent imperial past, but also it creates domestic dependency and prevents the development of effective partnerships between international and domestic actors. By contrast, the European perspective provides aspiring members with the necessary incentives to set into motion a virtuous cycle of political, social and economic reforms. The EU's experience with Central and Eastern European States suggests the EU integration process is crucial in order to commit all major political forces to the goal of EU membership.³⁷ The EU's enterprise is both highly a-symmetrical and unaccountable,³⁸ but not "imposed." The EU resembles a neo-medieval empire characterised by overlapping authorities and divided sovereignty, multiple identities, fuzzy borders and various forms of external power projection. The relationship between members and non-members involves both imperial and cooperative aspects, with Europe's centres and peripheries constantly (re)negotiating the terms of their

³⁶ I. Manners, 'The European Union as a Normative Power: A Response to Thomas Diez,' *Millennium: Journal of International Studies*, 35(1), 2006, p. 175.

³⁷ F. Schimmelfenning and U. Sedelmeier (eds.) *The Europeanization of Central and Eastern Europe*, Cornell University Press, Ithaca and London, 2005; M. A. Vachudova, *Europe Undivided: Democracy, Leverage and Integration after Communism*, Oxford University Press, Oxford, 2005; H. Grabbe, *The EU's Transformative Power: Europeanization Through Conditionality in Central and Eastern Europe*, MacMillan, London, 2006.

³⁸ D. Chandler, 'From Dayton to Europe,' in D. Chandler (ed.) *Peace Without Politics? Ten Years of International State-Building in Bosnia*, Routledge, London and New York, 2006, pp. 30-43.

relationship.³⁹ It is this process of negotiation which opens Western Balkans' societies to alternative worldviews and prospects, encouraging much needed domestic debate.

At its best, this process can embolden reformers within government and society and, perhaps more importantly, can support a change in nationalists' priorities.⁴⁰ For example, in late 2007 Bosnia faced its most profound political crisis since the signing of the 1995 Dayton Peace Agreement. The crisis was triggered by the Bosnian Serbs' refusal to accept procedural rules limiting ethnic vetoes and a plan to create a single police force in the country. Bosnian Serbs feared that the first proposal would marginalize them in state institutions, while the second one would lead to a loss of autonomy for their self-governing *Republika Srpska* (RS). The crisis was solved when the EU agreed to initial an SAA in exchange for the acceptance of procedural changes and of an action plan phasing in the implementation of police reform.⁴¹ In Macedonia, the European perspective has emboldened reformers and engaged society as a whole. The EU made fulfilment of the Ohrid Agreement a precondition for elevating Macedonia from "potential candidate" to "candidate" status. Macedonian and Albanian politicians have, for the most part, supported the implementation of the Agreement, and the Macedonian public has subscribed to it as the necessary stepping stone towards admission in the EU

³⁹ J. Zielonka, *Europe as Empire: The Nature of the Enlarged European Union*, Oxford University Press, Oxford, 2006.

⁴⁰ G. Knaus and M. Cox, 'The Helsinki Moment in Southeast Europe,' *Journal of Democracy*, 16, 2005, pp. 39-53.

⁴¹ B92 News, 'Bosnia in 2007: Highs and Lows,' 23 December 2007; available at <www.b92.net/eng/news>

and NATO.⁴² Similar dynamics are visible in Kosovo. Prime Minister Agim Ceku startled the audience when he addressed Kosovo Serbs in fluent Serbian, promised to protect them and endorsed the much-contested “standards.” Although Kosovo remains perhaps the most volatile area in the region, these developments testify to the moderating effects of the lure of European membership.⁴³

As these examples suggest, domestic reformers can seize “local ownership” to prepare the ground and push through the difficult changes required to join European institutions. In the process, not only is international imposition of policy attenuated or prevented but also partnerships and coalitions between international and domestic actors can be created and nurtured. Thus, the European perspective has the potential to achieve further reforms without the blatant top-down, social engineering tools frequently adopted by international actors.⁴⁴ The stimulus to the further development of good governance and state-building, the EU claims with some reason, is one of the areas of its real “comparative advantage” vis-à-vis other institutions, and is part of a “coherent international community response” to the region’s needs.⁴⁵

⁴² A. Petrusheva, ‘Macedonians Turn Away from Ethnic Divisions,’ *Institute for War and Peace Reporting*, 12 November 2004.

⁴³ E. Pond, op. cit., pp. 265-266.

⁴⁴ D. Bechev and S. Andreev, *Top-Down vs Bottom-up Aspects of the Institution Building Strategies in the Western Balkans*, Occasional paper no. 3/05, St. Antony’s College Oxford, February 2005.

⁴⁵ European Commission, ‘The Stabilisation and Association Process and CARDS Assistance 2000 to 2006’, European Commission Paper for the Second Regional Conference for South East Europe, 2001; available at:

<www.seerecon.org/region/documents/ec/ec_sap_cards_2000-2006.pdf>

Supporting Institutional Development

European governance principles can further contribute to improving policy-making and strengthening local institutions. The EU itself is a multilayered polity that regularly “shares” and “pools” sovereignty among its members,⁴⁶ and such a structure could help effective policy-making in conflict-ridden Western Balkans states. EU member states delegate some sovereign prerogatives to European institutions, thus removing potentially problematic issues from local decision-making. By taking decisions in many areas on the basis of majority rule, the EU Council of Ministers allows for policy-making even in the absence of a local agreement. The participation of the Western Balkans into the “EU framework”⁴⁷ will add a new layer of governance potentially multiplying the possibility for win-win agreements between the parties.

Fostering Stability and Regional Cooperation

The EU can stimulate respect for existing international borders and regional cooperation, a task previously attempted by the United States. For the best part of the post-Dayton period, it was the US which applied pressure on Serbia and Croatia to respect Bosnia’s political integrity and internationally recognized borders. With American attention currently focused on Iraq and more broadly the “war on terror,” the EU’s soft power and political conditionality have begun replacing American influence in stabilizing the

⁴⁶ W. Wallace, ‘The Sharing of Sovereignty: The European Paradox,’ *Political Studies*, 47(4), 1999, pp. 503-21.

⁴⁷ C. Hill, ‘The EU’s Capacity for Conflict Prevention,’ *European Foreign Affairs Review*, 6(3), 2001, pp. 315-333.

region. For Serbia and Croatia, the preservation of the EU horizon is more important than the partition of Bosnia between the two. Significantly, Croatia's nationalist-led government has gone to great lengths to reassure sceptical EU institutions that the country's reforms will proceed apace – in particular since it applied for EU membership in early 2003. Similarly, in early 2005 European conditionality paid off when the government in Belgrade surrendered several war-crime indictees to the International Criminal Tribunal for the Former Yugoslavia (ICTY) in the Hague, paying the way for the opening of SAA negotiations. The SAA was signed in April 2008, but the failure to arrest high-profile indicted war criminals, including Radovan Karadzic and Ratko Mladic, blocked the agreement's implementation. In May 2008 a pro-Western government came to power in Belgrade and in July, on the eve of an EU foreign ministers' meeting in Brussels scheduled to discuss Serbia's bid to join the Union, Karadzic was arrested in Belgrade.⁴⁸

Moreover, at the regional level the EU can support cross-border trade and cooperation. In early 2006 the EU proposed the creation of a regional free-trade agreement among the countries of the Western Balkans - including Bosnia, Serbia, Montenegro, Croatia, Albania and Macedonia. This proposal led to extending the Central European Free Trade Area (CEFTA) to the region, an extension negotiated under the auspices of the Stability Pact for Southeast Europe and aimed at favouring legitimate travel and economic development.⁴⁹ Since then, trade liberalization has led to tangible

⁴⁸ B. Whitmore, 'Karadzic Arrest in Serbia Shows Power of Elections,' *Radio Free Europe/Radio Liberty*, 22 July 2008.

⁴⁹ A. McTaggart, 'EU Hails Balkan Free Trade Deal as Milestone,' *Balkan Insight*, 26 October 2006; see also, more broadly M. Dangerfield, 'Subregional Integration and EU

gains for all countries involved. In some cases European funds also require aspiring EU members to devise multi-year development plans to address collaboratively trans-border issues, such as the fight against organised crime, illegal trade and human trafficking. Despite the fact that local illegal transnational networks are still more effective and better organised than the EU's own transnational policy,⁵⁰ the EU's efficiency in this area is slowly improving. Once the Western Balkans is integrated into European institutions, transnational and regional issues such as the fight against organised crime should be easier to tackle, since the region will be part of the EU's law enforcement space.⁵¹

Softening Nationalist Identities

In the long-term, inclusion into European institutions can soften exclusive, nationalist identities by adding a new layer of identification. For example, a citizen of Sarajevo could possess simultaneously a Serb, Bosnian and European identity (and citizenship) – a situation of multiple layers common to most individuals living in European capitals. Not only do such multiple identities lead to greater acceptance of diversity and provide an

Enlargement: Where Next for CEFTA? *Journal of Common Market Studies*, 44(2), 2006, pp. 305-324.

⁵⁰ D. Kostovicova and V. Bojičić-Dželilović, 'Europeanizing the Balkans: Rethinking the Post-communist and Post-conflict Transition', in D. Kostovicova and V. Bojičić-Dželilović (eds.) *Transnationalism in the Balkans*, Routledge, London and New York, 2008, pp. 7-25.

⁵¹ E. Pond, op. cit., p. 253.

antidote to divisive extremism,⁵² but also they can sustain a pragmatic attitude in addressing group differences.

Perhaps more importantly, integration into European institutions can provide an avenue for increasing contacts among the countries in the region, and contribute to de-politicizing potentially explosive border issues. Indeed, despite the progress made, borders are still contested. Serb nationalists in Bosnia have been flirting with the possibility of calling a referendum on independence that would detach their semi-autonomous republic from Bosnian common institutions and trigger a likely military reaction from Bosnian Muslims.⁵³ Kosovo's independence is a *fait-accompli*, but this new state is recognised by only a minority of states in international society while Serb areas are restless within the newly constituted independent state. In Macedonia, the inclusion of Albanians in the political system following the 2001 Ohrid Agreement has contributed considerably to decrease ethnic tensions, but occasional outbreaks of localised violence signal the presence of a widespread malaise. For all of these states, rapid integration into the EU could undermine the nationalists' call to redraw the regional political map. In fact, the answer to the problem of borders is not to redraw them, but to make them increasingly irrelevant by recognizing allegiances to overlapping polities and thus de-politicizing the significance of (hard) borders. By supporting functional rather than geographical assertion of authority, soft borders can support the multiplication and

⁵² This is the key argument of Amartya Sen in his remarkable *Identity and Violence: The Illusion of Destiny*, Norton, New York, 2006.

⁵³ R. Belloni, op. cit., p. 162.

pluralisation of allegiances historically linked to the Westphalian state and encourage regional and municipal cooperation across dividing lines.⁵⁴

The Limits of the EU's Integration Strategy

While membership into Europe's political, economic and security structures is likely to provide the long-term answer to fragmentation and conflict, there are also reasons for concern. The current process of European integration faces some significant obstacles, due to the EU's military dependence on NATO, its persistent internal divisions (both among member states and within European institutions), and its approach which, despite the rhetoric of partnership, is still visibly top-down.

To begin with, the EU is still militarily dependant on NATO which, in turn, relies heavily on American assets. Following the events of 11 September 2001, these assets have been used primarily in the "war on terror" and are likely to remain committed to this use for the foreseeable future. For this reason, the EU-NATO closer cooperation does not guarantee the availability of NATO's capabilities for EU foreign policy goals. If faced with a new military crisis in the Western Balkans, the US might perform the role the UN used to play during the war in Bosnia in the early 1990s, when the "dual key" ensured almost complete inaction in the face of massacres. European institutions could be unable to deploy civilian and military power jointly, thus weakening their leverage. Accordingly, the EU might eventually decide to develop its own military capabilities, although the

⁵⁴ J. Mostov, 'Soft Borders and Transnational Citizens,' in S. Benhabib, I. Shapiro and D. Petranović (eds.) *Identities, Affiliation, and Allegiances*, Cambridge University Press, Cambridge, 2007, pp. 136-158.

objection of a number of key players, included the United States and the United Kingdom, make this difficult to achieve.⁵⁵

International divisions within NATO represent only one instance of the difficulty to ensure unity and strategic coherence among external interveners. As mentioned above, one of the key promises of European integration lies in its potential for minimising differences likely to be exploited by local players in the region. However, despite the considerable progress achieved by the CFSP, EU member states often struggle to maintain a semblance of unity. One key issue involves the question of further enlargement and the doubts this question raises about the EU's so-called "absorption capacity" – a dilemma I shall return to shortly. But beyond this broad strategic problem, EU member states are divided on specific policy issues. The conundrum of Kosovo's final status mercilessly displayed European divisions. The EU supported Kosovo's independence but a number of EU members led by Greece and Cyprus – in addition to Russia - objected to this solution.⁵⁶ As a result of these divisions, the debate among the EU's member states was limited to a dull and lengthy paperwork over whether to "acknowledge" Kosovo's will to independence or just "take note" of it.⁵⁷ This approach reinforced the feeling among international observers and citizens and leaders in the Western Balkans that the EU lacks a real strategy to address the region's problems.

⁵⁵ K. Schake, *Constructive Duplication: Reducing EU Reliance on US Military Assets*, Center for European Reform, London, 2002.

⁵⁶ A. Lobjakas, 'Kosovo: UN Chief Wars EU Unity at Risk,' *Radio Free Europe/Radio Liberty*, 10 July 2007.

⁵⁷ K. Safarikova, 'Balkans: No More Yawns,' *Transitions on Line*, 24 July 2008.

Not only do EU member states hold different views, but European institutions themselves reflect these disagreements. The Stability Pact has been largely effective in directing resources to SEE, but less so in providing unity to the European effort. The Pact was launched in June 1999 at the time when Germany held the EU Presidency, and since then remained dominated by German-speaking officials, many of whom had little experience in Balkan politics. Two structural problems further complicated the Pact's effectiveness. First, the initial exclusion of the rump-Yugoslavia (and later Serbia) due to Milosevic's indictment for war crimes severely damaged the Pact's regional ambitions. Second, the Stability Pact's focus on working with legitimate governments could only have a limited impact on domestic civil society.⁵⁸ Moreover, the Commission's launch of its own SAP has been seen by some commentators as openly antagonistic to the Stability Pact.⁵⁹ Although this view might be too extreme, it is undeniable that the proliferation of initiatives undermines the clarity and unity of EU policies.⁶⁰

The issue of conditionality, the most powerful tool available to the EU to demand the implementation of reform policies, further highlights the difficulty in devising a shared approach. Part of the EU's conditionality towards the region involves the requirement of "full cooperation" with the ICTY. In practice, this request meant that the Tribunal and its chief prosecutor Carla Del Ponte became the main gate-keepers in the process of European integration. In particular, in relation to assessing the degree of

⁵⁸ Author's interview with Erhard Busek, Stability Pact's Coordinator, Cambridge, October 2003.

⁵⁹ T. Gallagher, *The Balkans in the New Millennium: In the Shadow of War and Peace*, Routledge, London and New York, 2005, pp. 168-170.

⁶⁰ Friis and Murphy, op. cit. p. 777.

cooperation of Croatia and Serbia with European demands, Del Ponte has frequently oscillated between intransigent and more flexible positions. Del Ponte's wavering and the blurring between legal and political roles raised many eyebrows among the members of the EU General Affairs and External Relations Council, led to the embarrassment of political institutions, and occasionally stirred acrimonious debate among EU member states.⁶¹ In particular, with regard to Serbia, states like Austria, Slovenia and Italy have supported Belgrade's quick upgrade to candidate status (which, however, has not yet been granted) as a tacit reward for the loss of Kosovo, while the United Kingdom and the Netherlands advocated stronger terms of conditionality. The lack of clarity about the respective responsibilities of the EU and of the Tribunal in ascertaining compliance created an impression of indecisiveness. Since the ICTY is set to close down in 2010, this particular problem will be mooted by the unfolding of events. However, the ICTY's experience represents a warning for the International Criminal Tribunal in Rome, which is a permanent institution, and suggests the need for a clear division of responsibilities between the technical need to assess the degree of cooperation with international penal institutions and the task of elaborating a political strategy.

Ultimately EU foreign policy institutions, the ICTY, the Stability Pact and the SAP could all be criticised for focusing on the political leadership, and for leading to

⁶¹ For her part, Del Ponte often complained that Western powers displayed "grave systemic deficiencies" in their pursuit of war crimes indictees. See C. Del Ponte, with C. Sudetic, *Madame Prosecutor: Confrontation with Humanity's Worst Criminals and the Culture of Impunity*, Other Press, New York, 2009. For a good assessment, see: Victor A. Peskin, *International Justice in Rwanda and the Balkans: Virtual Trials and the Struggle for State Cooperation*, Cambridge University Press, Cambridge, 2008.

polarisation between an Europeanised elite and non-Europeanised and alienated citizens.⁶² Despite the EU's commitment to the region, southeast European citizens can rarely travel freely to Western Europe – something they were able to do at the time of Tito's Yugoslavia. Furthermore, not only do European institutions focus on political leaders, but also they do not effectively provide resources and support for local civil society. Bureaucratic inefficiencies remain, often leading local civil society organizations to apply for European funds only when no other realistic alternative exists.⁶³ Perhaps more importantly, despite the EU's emphasis on partnership, the process of European integration shows some of the limits of earlier top-down policies. As long as such a process is structured around the idea of the increasing involvement of the EU in Western Balkans with the intent of including this region into European institutions and socializing it by means of European norms, it reflects the same approach to regional development grounded on external initiative that characterised international intervention for the best part of the last decade. This approach makes Bosnia, Macedonia, Kosovo and the other countries of the Western Balkans once again the recipient of strategies developed elsewhere.

Finally, to the extent that the performance of aspiring EU members is measured only in terms of fulfilling the requirements for membership, there is a risk that reform will fail to address key domestic questions which are unique to this region, in particular the need to develop state and regional institutions. Accession-oriented instruments such

⁶² H. Grabbe, *op. cit.*

⁶³ Partners Limited, *Striking a Balance – Efficiency, Effectiveness and Accountability: The Impact of the EU Financial Regulation on the Relationship Between the European Commission and NGOs*, Brussels, April 2005.

as the SAP might not be entirely appropriate for tackling the region's specific problems.⁶⁴

Although long-term mechanisms such as the SAP are indispensable, and represent an important step forward from the earlier crisis-prone approach at intervention, these mechanisms are more likely to be effective if they are grounded on domestic political processes and provide enough incentives to domestic actors to embrace them.

An Uncertain Future

The spring 2005 rejection of the EU Constitutional Treaty by French and Dutch voters has poured cold water on the aspirations of would-be members. Although the question of further enlargement was not a key factor in determining this vote,⁶⁵ for many commentators and European policy-makers the rejection of the Treaty signified also the rejection of enlargement, complicating the prospect of the Western Balkans' accession to the EU. In the absence of constitutional reform, further enlargement could dangerously strain the existing *modus operandi*. The Western Balkans comprises of seven countries (including newly independent Kosovo) which, added to the current 27 EU members, would make a total of 34 members and could potentially paralyse future EU decision-making.

⁶⁴ M. Calic, 'EU Policies towards the Balkans: Fostering Ownership of Reforms,' *The International Spectator*, 3, 2003, pp. 111-123.

⁶⁵ In the Netherlands only 6% and in France only 3% of respondents stated opposition to future enlargement as the reason for voting "no." See Eurobarometer, 'The European Constitution: Post-Referendum Survey in The Netherlands,' no. 172, June 2005.

Because unanimity is required for EU membership to be granted, each existing member has a veto power on accession. Notably, in 2005 the French government amended its country's constitution to require ratification by popular referendum of all future EU enlargements. Although Western Balkan states were the immediate casualties of French reluctance to accept new members into the EU, French opinion was shaped more by the membership aspiration of Turkey (a big, poor and predominantly Muslim state) than by any other issue.⁶⁶ In May 2008 France altered again its constitution by retaining the referendum clause only for countries whose populations are greater than 5 percent of the total EU population – thus effectively singling out Turkey. Despite France's change of position, only Germany and Austria remain strongly committed to the enlargement prospect, and have declared themselves ready to take a softer line on the fulfilment of the accession criteria required by the EU.⁶⁷ The June 2008 Irish dismissal of the Lisbon Treaty, which replaced the defunct proposed constitution, further sidelined the enlargement agenda. Many EU member states, led by France, are opposed to further enlargement in the absence of a new treaty. Only Croatia is expected to be admitted, probably by 2011. For the most part, the issue of enlargement is frustrated by a lack of enthusiasm among European officials.

⁶⁶ Thanks to Angela Liberatore, at the European Commission, Directorate-General for Science Research and Development, for drawing my attention to the importance of this issue.

⁶⁷ D. Kostovicova and V. Bojičić-Dželilović (eds.) *Austrian Presidency of the EU: Regional Approaches to the Balkans*, Center for the Study of Global Governance and Center for European Integration Strategies, Vienna, 2006.

In this climate, the EU has wearily confirmed its readiness to accept new states, but specified that future admissions will be granted on a country-by-country basis and not in groups. French pressure ultimately led the EU to adopt a tougher stance on future enlargement. The fulfilment of specific criteria for admission will be monitored more closely, and the EU is likely to be less accommodating towards potential members.⁶⁸ At the EU-Balkan meeting in Salzburg in March 2006 EU foreign ministers confirmed their more stringent approach. They watered down previous commitments with reference to the EU's "absorption capacity" and to an "internal European debate" on the future of enlargement as potential barriers to accession.⁶⁹ European Commission President Barroso acknowledged the growing "enlargement fatigue" by announcing that the accession of Romania and Bulgaria (which joined on 1 January 2007) was the last enlargement – at least in the absence of an institutional reform capable of streamlining the decision-making process of a much larger EU.⁷⁰ The 2006 enlargement strategy paper released by the European Commission advised against further enlargement,⁷¹ while the same

⁶⁸ D. Phinnemore, 'Beyond 25 – The Changing Face of EU Enlargement: Commitment, Conditionality and the Constitutional Treaty,' *Journal of Southern Europe and the Balkans*, 8 (1), 2006, pp. 7-26.

⁶⁹ European Union/Western Balkans, *Joint Press Statement*, Salzburg, 11 March 2006.

⁷⁰ A. McTaggart, 'Crossfire Over Enlargement Confuses Balkans,' *Balkan Insight*, 5 October 2006.

⁷¹ European Union, *Enlargement Strategy and Main Challenges 2006 – 2007: Including Annexed Special Report on the EU's Capacity to Integrate New Members*, European Commission, Brussels, 8 November 2006.

document the following year demanded full attention be paid to the “EU’s integration capacity”.⁷² By early 2009, the EU enlargement process had come a halt.⁷³

In practice, both new and aspiring new candidates are kept on hold. For Macedonia, Kosovo and Bosnia the prospect of EU accession remains very distant. Macedonia has been accepted as an official candidate and signed a SAA in early 2006, the first step to eventual EU membership, but the Commission found it not ready to open accession talks. Kosovo, despite the declaration of independence, remains in a legal and political limbo, under the “supervision” of international institutions and particularly of the EU. Because not all EU member states have recognized it, signing an SAA with Kosovo remains legally impossible. In Bosnia, successive governments have been unable to provide efficient governance without international direction, and failed thus far to comply fully with the EU’s demands. Talks on an SAA formally opened in November 2005, but an agreement was signed only in June 2008. The implementation of the SAA, which requires the incorporation of over 100,000 pages of EU legislation into the Bosnian legal framework, is likely to take at least a decade.

The long-term time frame complicates the short-term local endorsement of reforms, since local leaders need to deliver tangible results to their constituencies in order to push through sometimes painful reforms. Crucially, because the EU’s “absorption capacity” cannot be influenced by candidate states, meeting EU criteria might not be enough for accession, and the goal of EU membership has turned into a moving target.

⁷² European Union, *Enlargement Strategy and Main Challenges 2007 – 2008*, European Commission, Brussels, 6 November 2007.

⁷³ Ahto Lobjakas, ‘Impetus For EU Enlargement Grinds To A Halt,’ *Radio Free Europe/Radio Liberty*, March 28, 2009.

As a result, local politicians are increasingly tempted to renege on previous commitments and delay further reform. The direct link between EU's accession prospects and domestic reform is perhaps most visible in Bosnia. The day after the French referendum on the EU constitution, the RS Parliament rejected once again a police reform package demanded by European institutions. By late 2007 Bosnia was the only country in the region without any prospects for membership. Only after the EU demonstrated concretely its commitment to enlargement was it able to stimulate the domestic endorsement of reform. As mentioned, in late 2007 Bosnian authorities accepted a reform package as a result of the EU's decision to authorize an SAA. In sum, the credibility of EU conditionality necessitates an active presence and careful distribution of rewards. As the experience with the accession of central and eastern European states into the EU confirms, the introduction of "intermediary rewards," such as substantial economic aid, greater access to EU markets, and visa-free travel is important to strengthen the push for reforms and the viability of pro-EU parties.⁷⁴

Unfortunately, the current strategy and funding criteria risk increasing the economic and social gap between early candidates for EU admission (such as Croatia and Macedonia) and underdeveloped states (such as Bosnia and Kosovo). The new European funding mechanism for the region, the Instrument of Pre-Accession (IPA) which came into effect on 1 January 2007, is open to all western Balkan countries, but differentiates between candidate countries (Croatia and Macedonia) and potential candidate countries (in addition to Bosnia and Kosovo, Albania, Montenegro and Serbia). In practice, the former benefit from much more substantial assistance than the latter. For example, for the

⁷⁴ M. Vachudova, *op. cit.*

2006-2009 period Croatia was granted €575.7 million and Bosnia €277 million.⁷⁵ The paradox of the EU assistance programme is that the most advanced countries get the lion's share of EU assistance, leaving laggards like Bosnia further behind.⁷⁶ New lines of divisions between "candidates" and "potential candidates" are thus reinforced. A feasible alternative is to grant candidate status to states like Bosnia and Kosovo. As the case of Macedonia confirms, such as status would not lead to the immediate start of negotiations, but would have a stabilizing effect and would allow these states to access candidate's funds.

Conclusion

The predominant European perspective of the Balkans has been described as a form of Orientalism, part of a dichotomy between the rational and enlightened West and the feminine, passionate and irrational Orient.⁷⁷ For some commentators, the Western Balkans continues to be constructed as an 'Other' towards which European identity is constantly redefined.⁷⁸ While this description captures a lasting attitude with deep historical roots,

⁷⁵ European Union/ World Bank Joint Office for South East Europe, op. cit.

⁷⁶ European Stability Initiative, *Breaking Out of the Balkan Ghetto: Why IPA Should be Changed*, Berlin/Brussels/Istanbul, June 2005.

⁷⁷ M. Bakic-Hayden and R. Hayden, 'Orientalist Variations on the Theme 'Balkans': Symbolic Geography in recent Yugoslav Cultural Politics,' *Slavic Review*, 51, 1992, pp. 1-15.

⁷⁸ Nikolaos Tzifakis, 'EU's Region-Building and Boundary-Drawing Policies: the European Approach to the Southern Mediterranean and the Western Balkans,' *Journal of Southern Europe and the Balkans*, 9 (1), 2007, pp. 47-64.

today the Balkans are better understood as a transitional concept, something not yet Europe, or not quite European, but on its way to European integration. The Balkans might be backward, but they have the potential, at least *in nuce*, of entering the European mainstream, defined by progress, stability and prosperity. To cite the title of Danis Tanovic's remarkable 2002 film, currently the region is in a "no man's land," neither "here" (in Europe, sharing and enjoying the benefits of membership), nor "there" (in the Orient – symbolic more than geographical location of despotism and violence).

Although no large-scale conflict has broken out since 1999, this "no man's land" remains politically unstable. Kosovo, Bosnia-Herzegovina and Macedonia are the weakest and most volatile states. Kosovo remains in a legal and political limbo following its declaration of independence in early 2008; Bosnia-Herzegovina is subject to a perpetual crisis of governance; and Macedonia experiences recurrent spates of violence, raising concerns among domestic and international commentators about the possibility of renewed fighting. The need for active EU involvement in transforming the conflict dynamics in these states is often invoked, but the impact of EU's policies remains unclear. The process of European integration faces significant limits, or obstacles, which may reduce the stabilizing and moderating impact of European involvement. European institutions still do not possess a military capacity to address a major crisis – should one break out; their effort to steer reform in the Western Balkans is hampered by the sheer number of European-led initiatives and by the different views held by EU member states on such crucial issues such as enlargement; and the process of integration remains visibly top-down despite the stated commitment to rely on local institutions and civil society. On balance, the current strategy risks raising the expectations of southeast European citizens

about the future benefits of membership, with little assurance of positive short-term, concrete developments. The difficulty to deliver on promises explains a growing disillusionment about the EU.

The current situation is not entirely intractable. Some structural weaknesses in the European approach cannot be overcome without the reform of European institutions, which in turn would require a complex and lengthy process of negotiations among EU member states and their allies, in particular the United States. Notably, the further development of European military capabilities necessitates a re-definition of Europe's self-understanding as a primarily civilian power and a profound re-thinking of NATO's role in Europe. But, with a dose of Machiavelli's *fortuna*, while this process of redefinition unfolds, Europe's celebrated "soft power" will suffice to support domestic reforms in the Western Balkans and realize the promises described in this paper. At the same time, as Machiavelli taught, *fortuna* must be helped along. European institutions need to strengthen their approach to the region by taking into account the early lessons of involvement. To date, great progress has been made but, as in the early days, the European approach still lacks political unity, is top-down, and does not fully mobilize reformist forces in the region, particularly civil society groups.

To be sure, European institutions should focus on what they know best, that is, put pressure on political leaders in the Western Balkans while developing meaningful partnerships with them. To date, the experience with European integration has demonstrated that political leaders respond positively to the incentives provided by tangible rewards. At the same time, long-term success cannot rely exclusively on top-down pressures, which are often weakened by conflicting priorities and views among

external actors, but requires the development of sustained bottom-up demands for reform. In particular, civil society groups and ordinary citizens throughout the Western Balkans have a pivotal role to play in this process. Simple measures such as the relaxation of the visa regime could contribute decisively to increase the pro-European outlook of the largely marginalized population of the Western Balkans which, in turn, could revitalize dormant endogenous reformist forces. Ultimately, what is at stake is not only the future of the region but the credibility of the EU as an effective actor in world politics.

Roberto Belloni is Associate Professor of International Relations at the University of Trento. He has published extensively on democratization and peacebuilding in Southeastern Europe, including the volume *State Building and International Intervention in Bosnia* (Routledge, 2007). Address for correspondence: Faculty of Sociology, Via Verdi 26, University of Trento, I-30122, Trento, Italy. Email: roberto.belloni@unitn.it