

Summary of Discussions

SWP / WWICS Working Group

"Balkans Politics: Different Views and Perceptions, Common Interests and Platforms?"

1st Colloquium, Washington DC, December 15, 2003
at The Woodrow Wilson International Center for Scholars

The transatlantic partnership between the EU and the US has been the cornerstone of Balkans politics for the past several years. This partnership reflects the common goals: the prevention of new hostilities, stabilization of the region and its integration into larger Europe.

Although the EU is responsible for much of the progress that has been made towards these goals, it still suffers from a credibility problem that originates from its failure and/or inability to take decisive action in the early years of war in the region. Many Bosnians, Serbs, Macedonians and Kosovars still talk about the need for the US to stay militarily engaged. Under these conditions, it has proven to be very difficult for the EU to improve its image, in spite of its very visible involvement throughout the region. The US should and must do more to help the EU change the negative perception not only because the EU is in the best position to help the region but also because the US does not want to be indefinitely "obligated" to play a principal role. The EU, however, also bears some responsibility for its poor image and it must do more to prove that it is capable of managing the stabilization and development of the region on its own, especially in terms of providing security.

The continued US presence in Southeastern Europe seems to reflect its global military strategy rather than concern for the region. The current US administration seems eager to move on to other parts of Central Europe such as Romania and Bulgaria in order to increase the reach of its military. The US should be careful, however, not to shift its focus too quickly because an unresolved situation in the Balkans could destabilize the entire region.

On the economic front, the EU is in the best position to help: in the short term through economic aid and support for the stability pact, and in the long term, through the offer of membership to the EU. Although the EU has spent billions of euros helping to restructure the region, many of the programs that are being funded are not tailored to the needs of the different countries in the region and therefore the money is not spent in the most sensible way. If the EU is able to pay more attention to the variety of needs of the different parts of the region, and adjust its support accordingly, it will be much more effective. The US plays a much more limited role in the economic sphere, but private firms are paying more attention to the region as a possible place for direct investment. As has been recognized by the governments throughout the region, economic stability and growth, including the attraction of foreign direct investment, is the key to political survival.

Although many efforts are being made to stimulate the official economy, the black and gray markets—estimated to be up to 80% of the entire economy—play a significant role in the region, often providing employment and a social safety net that does not otherwise exist. The strength of the informal sector is a product of the high costs of employment and business in the formal sector and the dire economic conditions endured by most of the region's residents.

A side effect of the growth of the black and gray markets is the growth of organized crime and corruption. Although the EU has already spent more than 300 million euro to fight organized crime and strengthen the rule of law, the problem has only become worse. The existence of criminal networks and rampant corruption undermine the fragile political systems and social stability. The EU and the US need to do more to reverse this trend, otherwise the reform and development of the region could stall and, even worse, the political situation could destabilize. One step that the EU and the US, in addition to other donor countries, can take is to place more emphasis on the recipient countries' efforts to fight crime and corruption. The regional governments also must do more, particularly in terms of adopting economic policies that stimulate growth and reduce the costs of doing business in the official economy. Without

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such policy changes, people, especially young men, will turn to “less-than-legal” activities in order to survive.

In Serbia-Montenegro, the main issue is whether the Union should continue. Neither the EU nor the US seems particularly interested in what happens, although there is some concern that an independent Montenegro would not be economically viable. For Serbia, there seems to be little reason to preserve the Union given that Montenegro has proven to be a drain on financial and institutional resources. Within Montenegro, Djukanovic has indicated his desire for a referendum on independence. However, he has not pushed this through because he likely could not get a clear majority to support a split from Serbia and without such a majority the result could be political instability in Montenegro. The international community, however, is concerned that a newly independent Montenegro will provoke other ethnic groups to pursue their own separatist agendas. While this concern cannot dictate what happens in Montenegro or anywhere else in the region, the possible follow-on effects of an independent Montenegro must be taken into consideration. European and US concerns on this issue differ, but the split goes through both camps.

While the consensus is that conditions are getting better in Bosnia-Herzegovina, there are still doubts about whether Dayton will survive. On the one hand, the international community—especially the EU and US—has invested an extraordinary amount of time and money in holding Bosnia-Herzegovina together and so would be very reluctant to see it fall apart at this late stage. On the other hand, the ethnic divide that has taken place in Bosnia-Herzegovina over the past 10 years seems to be permanent and it is not clear that it will ever truly operate as one country without substantial external intervention from the Office of the High Representative or a similar institution. Regardless of what happens, the EU will be sure to keep Bosnia secure in order to help preserve stability in the wider region.

With regard to Turkey, it seems that the US is more interested in its becoming a member of the EU than the EU itself is. This anxiety can be attributed to the fact that the US is concerned that if Turkey is not embraced by Europe, it will be embraced by the Middle East and become another center for terrorism. Moreover, it is the common view that if the Middle East is to become more integrated with the West, Turkey is the logical place to begin. The EU has stated that a resolution of the situation in Cyprus is a condition to moving forward. The US can help this to happen by using its strong ties with the Turkish military to encourage them to push the leadership in Northern Cyprus to agree on a settlement.

It seems that the international community is losing some interest in Kosovo when it should be paying more attention to accelerating the resolution of the situation because the uncertainty creates instability. The de facto wait-and-see approach of the EU and the US is not improving the situation for either the Serbs or Kosovar Albanians. And although the unresolved status question is an obstacle to progress, its resolution will not solve the most serious problems such as establishing the rule of law, return of refugees and minority rights. As with Serbia-Montenegro, whatever happens in Kosovo will affect the other countries in the region, especially Macedonia, and any proposed solution must take into account the possible repercussions. Here again, the question is whether differences can be observed between the US and the EU concerning the kind of solution and the respective time frame or road map. Any outcome will affect neighboring Europe much more than the US.