

Further reading

The wider Europe debate is covered in Dannreuther (2004) and the foreign policy aspects in Zielonka (2002). Given the newness of the ENP, there are more articles than books available. Some to consider are:

- Aliboni, R. (2005) 'The geopolitical implications of the European neighbourhood', *European Foreign Affairs Review*, vol. 10, no. 1.
- Balfour, R. et al. (2005) 'The challenges of the European Neighbourhood Policy', *The International Spectator*, vol. 40, no. 1.
- Cameron, F. (2006) *The ENP as a Conflict Prevention Tool*, EPC issue paper no. 47.
- Emerson, M. et al. (2011) *The Reluctant Debutante: The European Union as Promoter of Democracy in Its Neighbourhood*, Brussels: Centre for European Policy Studies.
- Lynch, D. (2004) *The Russia-EU Partnership and the Shared Neighbourhood*, EU Institute for Security Studies, July. See <http://www.iss.eu.org/new/analysis/analy090.html> (accessed 5 May 2011).
- Tocci, N. (2005) 'The Challenges of the European Neighbourhood Policy - Does the ENP Respond to the EU's Post-Enlargement Challenges?', *The International Spectator*, vol. 40, no. 1.

9 The Balkans and Turkey

Summary

In the early 1990s the EU failed to deal effectively with the break-up of the former Yugoslavia. It had to rely on the US intervening twice to stop Serbian aggression. The EU's early failures and the Kosovo war spurred the EU into a more coherent and strategic policy towards the Balkans. Gradually the EU developed a roadmap for membership agreed in Thessaloniki in 2003. The EU played an important role in the downfall of Milošević and brokered agreements in Bosnia, Kosovo and Macedonia. The Balkans remains important as instability there, whether political, economic or social, affects the stability of member states. The next enlargement of the EU could well include the countries of the Western Balkans and Turkey. Given the Union's internal problems and the prevalence of 'enlargement fatigue', no one can predict when the next enlargement will take place. Croatia is due to join the EU in 2013 while the negotiations with Turkey have scarcely moved in years. Turkey is a major neighbour of the EU, and its accession would be of a very different order of magnitude from any Balkan country. It is also predominantly Muslim, and this causes hesitation in some European circles.

Introduction

The Balkans has been a major testing ground of the EU's developing international role and in particular of the CFSP and the ESDP. Few could have imagined, when the CFSP was agreed in 1991, that it would have such a baptism of fire. In the summer of 1999, Southeastern Europe emerged from yet another violent conflict in the region. NATO forces had just ended a bombing campaign against the former Yugoslavia and had taken control of Kosovo. Yugoslavia was still under international sanctions, with detrimental effects on the whole region, especially from organised crime. Albania and Macedonia were recovering from the refugee influx due to the Kosovo crisis, which aggravated the situation in Macedonia to a degree that led to ethnic violence in the summer of 2001. While fighting had ceased in Bosnia and Croatia with the Dayton agreement in 1995, the situation resembled more an uneasy truce than good-neighbourly relations.

Bulgaria and Romania, while on the path towards EU accession, suffered severely from the blocked trade routes through neighbouring Yugoslavia, especially along the river Danube.

By 2006 the situation in Southeastern Europe was very different. All the countries of the region now have a clear European perspective. Bulgaria and Romania joined the European Union in 2007. Accession negotiations started with Turkey and Croatia in 2005. Macedonia's application for membership was given a mixed appreciation by the European Commission in October 2005. It made clear that Macedonia would have to undertake further significant reforms before accession negotiations could begin but proposed that Macedonia be granted candidate status. This position was then endorsed by the European Council in December that year. The other countries are progressing under the framework of Stabilisation and Association Agreements (SAAs). The decision by President Barroso in 2004 to make the new European Commissioner for Enlargement, Olli Rehn, responsible for all the Western Balkan countries in addition to Romania, Bulgaria and Turkey was not just a bureaucratic measure, but also a political message that the future of the region lies within the EU. Now the EU is widely recognised as the most important actor in the region. It has poured huge sums of money into reconstruction, engaged in conflict prevention and crisis management, promoted regime change throughout Southeast Europe, and agreed a roadmap that should lead to eventual EU membership.

A tough learning experience

With the establishment of the CFSP there were high hopes that 'the hour of Europe' had arrived. This was the unfortunate phrase used by Luxembourg's foreign minister, Jacques Poos, who was chairing the Presidency, in 1991. Sadly it took several more years of bitter experience, including the Kosovo conflict, before the EU began to develop the instruments and the political will to make an impact in the Balkans. The Balkans, however, will remain a key benchmark for assessing the EU's external performance. In the early 1990s the Europeans were sharply divided in their approach to the Yugoslav crisis, particularly on the issue of the recognition of the independence of Slovenia and Croatia. They lacked the cohesion, determination and instruments to bring the crisis under control. The US had been quite reluctant to become engaged as no important US security interests were at stake. Secretary of State James Baker famously remarked: 'We do not have a dog in this fight'. However, as the bloodshed worsened, and in the absence of a credible European effort, the US became more involved. In 1995 the US bombed Serbia into acceptance of a peace deal at Dayton, Ohio. During the following years the overall division of roles between Europe and the US did not change significantly. Europe still contributed the lion's share of soldiers, humanitarian assistance and international expertise, but its political influence was not commensurate. Four years later the EU again failed to play a determining role in the Kosovo conflict. The EU's cohesion had improved, but it lacked the military capabilities to end the conflict and had to watch as NATO (read America)

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A new approach

bombed Serbia into submission. This second failure was to have a powerful catalytic effect in pushing Europe to develop its own military capabilities. After Kosovo, the EU's Balkans policy became more coherent and proactive, and the US-European relationship in the Balkans shifted to the point where the US has largely disengaged from the region and the EU has moved the Balkans from crisis management towards the enlargement process.

A number of factors were responsible for this development. First, the victory of democratic forces in Croatia and then in Serbia made it possible for the EU to move towards the development of a comprehensive policy towards the region. Second, all EU member states had learned lessons from the experiences of the early 1990s. In the course of the intense work on Balkan issues throughout the 1990s the EU had developed a common analysis and a shared interest in the stabilisation of the region. There was now sufficient agreement on the objectives to develop a more ambitious policy. Third, the CFSP had been greatly strengthened with the appointment of Javier Solana as the EU's High Representative in 1999. He and Chris Patten, the European Commissioner for External Relations, formed a good team and devoted considerable efforts to the region. The EU also began to develop its own military commitments enshrined in the Helsinki Headline Goals: a target of deploying 60,000 troops in the field for 18 months for crisis-management purposes. Even as these forces were being developed, the EU played a leading role in managing the ethnic crisis in Macedonia and in mediating in the constitutional dispute between Serbia and Montenegro. A number of special representatives were appointed to deal with Balkan issues. The EU had also begun to develop a civilian and military operational capacity that in the first instance was deployed in the Balkans. In spring 2003 the EU took over the police operation in Bosnia from the UN. In the summer of the same year it took over from NATO in Macedonia, which in turn was followed by an EU police mission in December 2003. A year later, an EU force of some 7,000 replaced the NATO SFOR mission in Bosnia. While an outright military confrontation is almost inconceivable today, the challenges in the area of military security are issues of downsizing over-expanded armies without causing social disruption, converting the military-industry complex to civilian use, and building confidence between armies that in some cases fought each other only a few years ago. On the other hand, fighting organised crime still remains a formidable challenge to most of the countries, with direct implications for the rest of Europe as well. Finally, while generally much poorer and further handicapped by the recent conflicts, the Balkan states shared many features with their eastern and northern neighbours. Throughout the 1990s the EU had accumulated vast know-how in promoting the integration of the Central and Eastern European countries into European structures. It was logical that this experience would strongly influence its developing approach to the Balkans.

A new approach

In 2000 the EU decided that the Western Balkans needed a comprehensive new policy approach. It would continue to deploy their foreign-policy and

crisis-management instruments in order to promote the stabilisation of the region, but it would also hold out the promise of association, of integrating the Western Balkan countries gradually into European structures. The policy provided for the conclusion of comprehensive treaties with each of the countries, and it deployed important policy instruments, in particular in the areas of trade and assistance. Most important, the Stabilisation and Association Process (SAP) gave the countries the perspective of future membership of the EU. The SAA process was also linked to conditions including cooperation with the International Criminal Tribunal for Yugoslavia (ICTY), facilitating the return of refugees and promoting regional cooperation. At first this commitment was expressed rather tentatively, but it gained greater clarity in the course of the following years. A decisive meeting was the EU-Balkans Thessaloniki summit in June 2003, which clearly stated that the future of the Balkans would be in the EU and that progress in this direction would depend on the fulfilment of the same conditions and requirements that applied to other candidates. This was a reference to the 'Copenhagen criteria' setting down benchmarks for EU candidates relating to democracy, market economy and administrative capability. Moreover, Thessaloniki also decided to put several instruments of the enlargement process (partnerships, opening of Community programmes, administrative twinning, etc.) at the disposal of the Western Balkan countries, thus further reducing the gap between the SAP and the pre-accession process. The perspective of EU membership linked to the step-by-step implementation of the SAP has become the major source of the EU's influence in the region. In its practical application the SAP involves a series of steps, ranging from the establishment of taskforces, feasibility studies on an SAA, the beginning, conclusion and finally the ratification of the agreement. This in turn opens the way to application for membership, launching the candidate country on a similar process ultimately aimed at accession to the EU. At each of the steps of the SAP, progress is made dependent on the fulfilment of conditions formulated by the EU. The annual reports by the Commission introduced in 2002 are a further way to regularly assess performance. In 2004, European Partnerships were also concluded to commit the countries of the region to a set of reform priorities. The assistance offered within the framework of the Community Assistance for Reconstruction, Development and Stabilisation (CARDS) programme, much of which is now devoted to institution building, is also designed to support the same reform priorities.

While important foundations have been laid to improve the economic situation in the region, economic development is probably the biggest remaining concern. Growth rates in Southeastern Europe have risen substantially, but the rates and sustainability of economic growth are still disquieting. This is exacerbated by high unemployment and in parts severe lack of investment. Economic growth in the Western Balkans has been above the EU average during the past decade but all the countries continue to face significant structural challenges, in particular the decline of the old industries and underdeveloped agriculture. High unemployment and severe social problems continue to overshadow an essentially positive macro-economic picture. The EU has provided by far the lion's share of external

finance, contributing some €9 billion to the region in the period 2000–10. With its threefold aim of stabilising the region, enhancing regional cooperation and supporting the region on its path towards European and Euro-Atlantic integration, the Stability Pact, established in 1999, has supported these positive developments in Southeastern Europe. With two prominent donor conferences in 2000 and 2002, significant support could be secured for the region, particularly for upgrading the necessary infrastructure. The focus has subsequently moved towards facilitating regional cooperation and promoting foreign direct investment (FDI). Attracting FDI is difficult on a purely national level, considering the size of the markets, but the current network of free trade agreements (FTAs), now being transformed into a regional FTA, establishes a market of 55 million consumers, clearly more attractive for investment (see www.stabilitypact.org).

The EU now has a stronger profile in the Balkans than ever before. Ten years of the Stabilisation and Association Process have produced sufficient progress to validate the overall policy approach, but clearly not enough to allow complacency. During this time the Western Balkans has undoubtedly become more stable, and the EU has also become an operational actor in the area of 'hard' security. Opening the perspective of EU membership to the countries of the region has had some important successes, notably in Croatia and Macedonia, but has not yet had its full mobilising impact in other parts of the region. It is clear that the 'European perspective', while important, needs to be complemented by a more hands-on approach by the EU. The member states are not always united on important policy aspects.

EU assessments

In February 2011, the European Commission presented its annual assessment of the EU's enlargement agenda. It outlined the current state of preparations, the challenges ahead, and the way forward for the Western Balkans and Turkey. The Commission proposed candidate status for Montenegro, and recommended that accession negotiations with Montenegro and Albania should be opened once these countries have met a number of key priorities set out in the opinions. The Commission confirmed that Croatia was entering the final phase of its accession preparations. Presenting the package, Commissioner Füle said:

As the Lisbon Treaty removes institutional bottlenecks and creates the opportunity for the joint implementation of all foreign affairs tools (CFSP and community tools), the enlargement agenda can move forward. Negotiations with Croatia have entered their final phase, while negotiations with Turkey advance, albeit at a slow pace. Accession negotiations with Iceland have been launched and Serbia's EU membership application is being processed. The Commission has presented its Opinions on the membership applications of Albania and Montenegro. The Commission renewed its 2009 recommendation that accession negotiations with the former Yugoslav Republic of Macedonia should be opened, and reconfirmed

the European perspective for Bosnia Herzegovina and for Kosovo. Reform efforts in the enlargement countries have already started to bring tangible benefits to their citizens. Citizens of Albania and Bosnia and Herzegovina will soon be able to travel visa-free to the EU. Serbia, Montenegro and former Yugoslav Republic of Macedonia have already been benefiting from visa-free travel for the past year. Across the enlargement region, many economies are being strengthened despite the global crisis; the protection of human rights and fundamental freedoms are moving closer to EU levels; and regional cooperation is making significant advances. Peace and stability have been consolidated, benefiting not only the region itself, but Europe as a whole. For the candidates and potential candidates, the tough preparations for membership require a process of profound reform. Numerous challenges remain, among which good governance, the rule of law and freedom of expression are the most important. Full cooperation with the ICTY remains a key condition for the whole accession process of several countries. Constructive diplomacy is needed to prevent bilateral issues from hampering the overall accession process.

Croatia

On 29 October 2001, Croatia signed its SAA with the EU; it came into force on 1 February 2005. In June 2004 the European Council confirmed Croatia as a candidate country after the European Commission had issued a positive opinion on Croatia's application for EU membership. The opening of accession negotiations was scheduled for March 2005, but was put off because of an assessment that Croatia was failing to cooperate fully with the ICTY. In October 2005, following a statement of the ICTY chief prosecutor, Carla del Ponte, that Croatia was fully cooperating, the accession negotiations were opened. Shortly after the opening of the negotiations the Croatian general accused of war crimes, Ante Gotovina, was delivered to the ICTY in The Hague. Negotiations were slow and steady. The EU did not wish to rush the entry of Croatia because of the bad publicity surrounding the entry of Bulgaria and Romania, both countries were widely perceived as joining before they were fully prepared. Croatia had hoped to join the EU by 2009, but the date slipped to 2011 and finally 2013. Even after concluding the negotiations member states demanded that the EU continue to monitor developments in Croatia with regard to commitments undertaken prior to membership.

Former Yugoslav Republic Of Macedonia (FYROM)

Macedonia signed its SAA with the EU on 9 April 2001; it came into force on 1 April 2004. Macedonia applied for EU membership on 22 March 2004. At its meeting in Brussels on 15-16 December 2005, the European Council granted candidate status to Macedonia after a positive report from the European Commission. However, it did not agree on a date for the opening of

the negotiations. Speaking in Skopje in February 2006, President Barroso commended Macedonia's efforts in achieving stability and inter-ethnic reconciliation, but said that further reforms were necessary to meet the political and economic criteria for EU membership. Similar messages were passed to Skopje during the next six years. One of the main problems for not starting negotiations with FYROM was the continuing dispute with Greece over the name. Greece refused to accept the name Macedonia in case it stirred irredentist feelings in northern Greece. In April 2011 Commissioner Fuele congratulated FYROM on the fair and peaceful parliamentary elections, but warned that further reforms were required regarding reform of the judiciary and public administration. Continuing the fight against corruption and improving the rule of law reforms were equally important.

Albania

On 31 January 2003 negotiations for an SAA between the EU and Albania were officially launched, but progress was very slow. The November 2005 Progress Report on Albania registered improvement in a number of areas, but called for better results in fighting organised crime and corruption, and in enhanced media freedom, further electoral reform and swifter property restitution. The Commission report noted that the Albanian economy was working according to the principles of a market economy 'only to a certain extent' and that extra efforts were required to align Albania with EU standards in several fields including free movement of capital, competition, agriculture and the environment. On 18 February 2006 the SAA with Albania was finally signed in Tirana by Commissioner Olli Rehn and Albanian Foreign Minister Besnik Mustafaj. In the past five years Albania has made some progress in the social and economic fields but political conflicts have undermined the country's aim of a smooth rapprochement with the EU. In 2011 Commissioner Fuele gave a welcome to the Action Plan but pointed to continuing deficiencies regarding the rule of law. According to the Commission there were 'substantial shortcomings regarding the independence, transparency and accountability of the judicial system'. The fight against corruption, organised crime, freedom of the media and property rights were other areas singled out where Albania needed to make more progress. The economic situation was positive but the country had to resolve its political problems. He noted that the political situation had further deteriorated after the May municipal elections and suggested that outside help might be useful in preparing and monitoring elections.

Bosnia and Herzegovina

The European Commission approved on 18 November 2003 a Feasibility Study assessing the readiness of Bosnia and Herzegovina (BiH) to start negotiations for an SAA with the EU. The study concluded that negotiations should start once BiH had addressed 16 key priorities. Following significant progress by BiH in

addressing these priorities the Council authorised the start of SAA negotiations which were formally opened in Sarajevo on 25 November 2005 during a visit by President Barroso. The Commission report of November 2005 was critical of the many obstacles impeding political and economic reform. The functioning of the central institutions was handicapped by complex structures, fragmented decision-making power and lack of resources. The country had to make serious efforts to improve its executive and legislative bodies. The report noted some progress in the economy but drew attention to the lack of market structures and the inability to transform the EU *acquis* into local laws in many key areas. Further annual reports by the Commission painted a similar picture of a failure to establish genuine national institutions. In April 2011 Fuele warned that it was now urgent to establish a state-level government and to tackle reforms. The EU agenda should lie at the centre of the government's programme. The Constitution needed to be brought into compliance with the European Convention on Human Rights, and state-level state aid law adopted. Both were necessary for a credible membership application.

Serbia

On 3 October 2005 the Council authorised the Commission to begin negotiations for an SAA with Serbia. During his tour of the region in February 2006, Barroso reminded Belgrade of its duty to cooperate fully with the ICTY and deliver the suspected war criminals Radko Mladic and Radovan Karadzic to The Hague. Karadzic was captured in 2009 and Mladic in 2011; both were sent to the Hague for trial. The 2011 Commission report noted that there was still not full respect for the constitution in Serbia and insufficient democratic control of the armed forces. The Commission also stated that it expected Belgrade to adopt a constructive approach towards Kosovo. In its assessment of the economy, the Commission drew a mixed picture. It was more critical of the failure to achieve progress in visas (with Montenegro), asylum, migration and border controls.

Montenegro

In May 2006 a small majority voted in a referendum for an independent Montenegro separate from Serbia. The secession took place peacefully and Montenegro began its own preparations for an SAA and membership. In the past five years Montenegro has made steady progress but in the April 2011 EU report there were some tough messages. The government was asked to redouble its reform efforts and make sure that all actions undertaken were solid, coherent and sustainable. Particular attention should be given to the timetable for the adoption of the election law, as well as the adoption of judicial reforms. Regarding the fight against corruption and organised crime, further efforts were needed to build a track record – and to adopt sound legislative amendments in the areas of conflict of interest and political party financing. On displaced persons, efforts needed to

be stepped up to provide them with legal status and to ensure respect of their economic and social rights.

Open questions

There are also several open questions in Southeastern Europe that need to be addressed before the region can reasonably become a part of the EU. This applies not only to Kosovo but also to Montenegro. It is also impossible to envisage Bosnia joining the Union while still under the authority of an EU/UN high representative. Of course, the question of when all of Southeastern Europe will be a part of the EU is still very unclear and will probably remain so for several years. The EU has come a long way in outlining a roadmap for the region, but the timeline is of course dependent on a multitude of factors including the ability of countries of the region to continue with their reforms and the willingness of the EU to continue with the enlargement process. The two no votes in France and the Netherlands were regarded as indications of enlargement fatigue among European citizens. A further complication is the heated discussion on Turkey's accession to the EU. With the accession of Romania and Bulgaria in 2007 the Western Balkans have become an island within the European Union. The EU therefore has a clear interest in ensuring that these outstanding problems are addressed and that Southeastern Europe continues on its current path of stabilisation. In this respect, the clear perspective of European integration is likely to continue to be the key reform incentive in the region. Nevertheless, the necessary steps can only be taken by the governments in Southeastern Europe themselves. The timetable for accession is therefore largely in their own hands.

It is something of a paradox that, whereas the overall risk of conflict in the Western Balkans has greatly diminished, the EU's involvement in hard security issues in the region has steadily expanded. The paradox is, however, easily explained by the fact that the development of the ESDP really began only at the end of the Balkan wars, and EU military and police operations only became possible at the end of 2002. In view of the important European security interests at stake in the Balkans, it was the logical theatre in which to undertake the first ESDP operations. While the EU may be a latecomer as an operational actor in security policy in the Balkans, there remains much to do. The era of large-scale conflict might be over but, in parts of the region, the potential for inter-ethnic tensions and confrontation persists. As of late 2011 there are still concerns about the stability of Bosnia. In terms of consolidating the state structures and the return of refugees, progress over the past years has been remarkable. However, the reform efforts are not yet self-sustaining, and a significant security presence is still necessary to maintain the commitment to the Dayton agreement. In Kosovo, there is still no sign of an agreement between Serbia and its former province that would lead to a new relationship. The third post-conflict area where the EU remains strongly engaged, Macedonia, has developed encouragingly over the past years. There has been important progress in implementing the Ohrid framework agreement, which ended a brief period of ethnic conflict, and the ethnically

mixed government appears committed to multi-ethnicity and to progress towards EU membership. The residual risks in Macedonia are mostly related to the danger of a spill-over of a renewed crisis in Kosovo. There has also been no progress on the name issue – Greece refuses to recognise the name Macedonia because its northern province is also called Macedonia and it fears irredentist calls should it accept the name Macedonia for FYROM.

Organised crime

While the EU remains deeply involved in seeking to resolve these open questions a new security threat has emerged in the region. As the risk of major conflict has receded, the focus has shifted from the military to the policing aspect. Organised crime, in particular trafficking in humans, drugs and weapons, is today the most pressing security issue, with a clear impact also on EU member states. Widespread poverty, weak state institutions and endemic corruption provide a fertile ground for criminal networks, which exploit the traditional transit role of the Balkans into Western Europe. Combating organised crime and bringing war criminals to justice are therefore essential elements of the efforts to consolidate democracy in the Western Balkans. The EU's approach to tackling these problems is multidimensional. It ranges from strict conditionality regarding cooperation with the ICTY in The Hague, to visa bans against individuals supporting war criminals and crime figures linked with extremist political groups, to police operations in Bosnia and Macedonia, to many CARDS programmes in the areas of rule of law and border security. This is complemented by activities of Europol and EU-sponsored activities within the Stability Pact. The multiplicity of projects and activities, which are complemented by bilateral measures by individual EU member states, cannot hide the fact that the overall record in this field is not altogether encouraging. Not only is there a distinct deficit in coordination among the various actors in this field, but also the resources and the manpower deployed are so far no match for the well financed and smooth international and inter-ethnic cooperation of criminal networks.

Uneven progress

Overall progress in the Balkans is very uneven. By far the most advanced country is Croatia, with Albania lagging far behind. There are several explanations for the marked differences in progress. Historical factors, differences in capacity, constitutional issues and political commitment all play a role. The success of the accession process in Central Europe rested to a considerable degree on the fact that the political elite in candidate countries was largely united in its commitment to European integration. Whatever the political complexion of the government, the EU always found a partner willing to take the necessary tough decisions and to move forward on the accession agenda. This is not yet the situation in the Western Balkans. The legacy of the wars and structural weaknesses make the political landscape even more volatile and unstable. While almost all political

parties pay lip-service to the objective of EU membership, the European idea clearly does not as yet have the powerful uniting force that it did in Central Europe. All too often the political agenda is dominated by the nationalist past rather than by the European future, with the settling of old scores rather than the tackling of concrete challenges.

The EU's promises

Despite the varying degrees of enthusiasm and willingness to take tough decisions, it is important that the EU should remain credible in keeping the promises set out at Thessaloniki in 2003. At the same time, the perspective of EU membership, although a powerful motor for reform, will not work without significant institutional and financial engagement. This may mean a change in the approach to funding for the region. The original idea of turning the status of 'associate' (following the conclusion of an SAA) into an attractive longer term option for the countries of the region has clearly not worked out as expected. Both Croatia and Macedonia submitted their applications for membership not long after their SAA came into force. The other countries of the region are likely to follow their example. An SAA is not seen as an objective in its own right, but merely as a stepping stone towards pre-accession status. This view is perfectly understandable, since EU accession remains the ultimate objective and every country wishes to move towards the next stage as quickly as possible. But it is also reinforced by the EU's funding policy, which made pre-accession status more attractive financially than the CARDS assistance open to SAP countries. This led to an indefensible situation in which the most developed countries enjoyed the most generous EU assistance. The Commission has moved to change this, and since 2007 there has been no difference in funding between candidates and non-candidates in the region.

Case study 9.1: Kosovo

Until 1999, Kosovo was part of the former Yugoslavia. From 1974 to 1989, Kosovo enjoyed autonomy as a province of Serbia, a status that gave it almost the same rights as Yugoslavia's six republics. The majority of Kosovo's population is Albanian, but various other minorities live in the province, the largest of which are the Serbs. The conflict between Kosovo-Albanians and Kosovo-Serbs has a long history. The 1990s saw the breakup of Yugoslavia, formerly held together by communist rule, into its constituent republics. The Dayton Peace Agreement of 1995 marked the end of the war in Bosnia-Herzegovina, which had lasted from 1992 to 1995. The internationally negotiated agreement settled the relationship between

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the Republic of Bosnia and Herzegovina, the Republic of Croatia, and the Federal Republic of Yugoslavia (consisting of Serbia and Montenegro). Kosovo continued to be part of this rump state. The failure of the Dayton talks to address the already pressing tensions in Kosovo later turned out to be a crucial mistake.

When Milošević reached the top of the Serbian Communist Party, he substantially cut the autonomy rights of the province. He pursued an increasingly nationalist Serbian course and purged all state institutions of Kosovo-Albanians. In 1989 he lifted the autonomy status. This angered Kosovo-Albanians, who declared their separation from Serbia and established parallel institutions. They pursued their idea of an independent republic by peaceful means until the mid-1990s, when the Kosovo Liberation Army (KLA) began a guerrilla war against Serbian rule. Belgrade responded with repressive actions, also against the civilian population. The situation escalated in February and March 1998 when the conflict caused many Kosovo-Albanians to flee from the province.

The EU's efforts to put pressure on Belgrade yielded no result as it lacked the military means to back up its diplomacy. In early 1999 the Rambouillet peace conference, in which the US participated, ended in failure. On 24 March 1999 it was NATO that launched a bombing campaign to stop the attacks of Serbian forces in Kosovo. The air strikes lasted until June and finally forced Milošević to withdraw his troops. In June 1999, UNSC Resolution 1244 was adopted, turning Kosovo into a UN protectorate administered by the United Nations Interim Administration Mission in Kosovo (UNMIK). UNMIK comprises four pillars: Pillars I (Police and Justice) and II (Civil Administration) are led by the United Nations themselves, Pillar III (Democratisation and Institution Building) is administered by the Organisation for Security and Co-operation in Europe (OSCE), and Pillar IV (Reconstruction and Economic Development) is in the hands of the EU. The EU has made a substantial political, technical and economic contribution, especially through the European Agency for Reconstruction, which implements Pillar IV of UNMIK, but not without some criticism.

In October 2005 the UN Special Envoy Kai Eide in his 'Comprehensive Review of the Situation in Kosovo' recommended the opening of negotiations to resolve the question of Kosovo's final status. The Security Council gave the go-ahead for them to begin, and the former Finnish President Martti Ahtisaari was nominated to lead the talks as the UN's Special Envoy. The EU also nominated the Austrian diplomat Stefan Lehne as the EU representative to the future-status process of Kosovo. The key question was whether Serbia would accept the independence of Kosovo. When Kosovo gained its independence in 2009 a number of EU member states (as well as Russia and China) refused to recognise it as they were concerned

at the precedent it could set. It has been a struggle to ensure even a minimum of relations between Kosovo and Serbia.

In April 2011, the Commission proposed Kosovo's participation in a number of EU programmes. Fuele said that he was concerned about the long-term sustainability of the budget and the predictability of economic policy. There were serious shortcomings as regards public procurement, state aids and implementation of intellectual property rights. Kosovo needed to continue reintegration efforts to move towards the visa dialogue.

Overall reform efforts in the Western Balkan countries have been mixed. Reform and visa freedom seem to go hand in hand. Croatia, Serbia, Montenegro and FYROM have been granted visa freedom with Albania and Bosnia and Herzegovina still in the waiting room. Fuele said that most economies had been strengthened despite the global crisis; the protection of human rights and fundamental freedoms were moving closer to EU levels and regional cooperation was making significant advances. Peace and stability have been consolidated, benefiting not only the region itself, but Europe as a whole. Numerous challenges remained, among which good governance, the rule of law and freedom of expression were the most important. Full cooperation with the ICTY remained a key condition for the whole accession process of several countries. Constructive diplomacy was needed to prevent bilateral issues from hampering the overall accession process. The Commissioner underlined that in the period 2007–13 the EU had allocated 11.5 billion Euros for institution building, human resources development, and regional and rural development of cross-border cooperation.

Turkey

The EU's relations with Turkey pose two inter-related challenges. The first is enlargement: is the EU ready to accept Turkey as a member state? The second stems from Turkey's strategic relevance as a regional power, and as an energy route to Europe. Turkey, which was granted candidate status in 1999, is not just another enlargement. With a population of nearly 80 million in 2011 (and set to reach 100 million by 2035), Turkey would be the largest member state in the EU, with all the consequences for the institutions. It would also be the first predominantly Islamic state to be a member (assuming it joined before Albania or Bosnia) – an issue that frightens some people and enthruses others as it would disprove assertions that the EU was a 'Christian club'. Millions of people in the Middle East, North Africa and the Balkans are watching closely the progress of Turkey towards accession. More than 40 years ago the EU agreed that Turkey was eligible for membership. Only in the last few years, with the determination of the Erdogan government to push through long-overdue reforms, has this become a realistic prospect. But just as Turkey has shown its determination to

meet the Copenhagen criteria, there have been strident voices in the EU (including Sarkozy and Merkel) opposing Turkey's membership on the grounds that Turkey does not share European values. This is code for saying that a predominantly Muslim country has no place in the EU. To put forward such arguments at a time when the West faces huge challenges in its relations with the Islamic world would seem rather short-sighted. A democratic, prosperous Turkey anchored in a predominantly Christian EU would be a tremendous asset for reformers throughout the Muslim world. The hesitation on the EU's side has led to a slowdown in Turkey's internal reforms and a continued impasse on the Cyprus issue.

Turkey is an important regional power with interests in the Mediterranean, the Middle East, the Caucasus, Central Asia and the Balkans. All these areas are characterised by instability and pose potential security problems for the EU. Although there may be some differences, overall the EU and Turkey have similar interests in seeking to promote peace, prosperity and stability in these regions. Turkey has a number of outstanding problems with its neighbours, including Greece (the Aegean, Cyprus), Syria (the border, water) and Armenia (history). It has the largest armed forces (790,000) and spends proportionately more on defence (4.8 per cent of GDP) than any other European member of NATO. It thus has an important capacity to support ESDP operations, something that it is already doing as a candidate country. Turkey is regarded as a key ally of the US, but the run up to the US-led invasion of Iraq revealed that Turkey was willing to go against the wishes of Washington when its own interests were at stake. It has generally been supportive of the EU developing its own defence capability and structures while underlining the continuing importance of the Atlantic alliance. It hosted the 2004 NATO summit in Istanbul. The future of Turkish foreign policy will be influenced by a number of factors, both external and internal. The external factors include terrorism, developments in the Middle East, and the future of US and EU foreign policy. The internal factors include political stability, the willingness of the armed forces to remain under civilian control and resolution of the Kurdish issue.

Turkey is situated in a volatile region characterised by numerous conflicts. Turkey's accession would mean that the EU's new neighbours would include Iraq, Iran and Syria (plus Armenia, Azerbaijan and Georgia). The first Turkish priority is territorial integrity – hence Turkey's preoccupation with the Kurdish issue. There are some 13 million Kurds in Turkey plus a large diaspora throughout Europe. Turkey will be vigilant regarding future developments in Iraq given the large degree of autonomy enjoyed by the Kurds in northern Iraq. There are also significant Kurdish minorities in Iran (c. 6 million) and Syria (c. 1 million). Turkey should have a shared interest with the EU in helping to rebuild Iraq and ensure that it develops some political and economic stability. Like most member states, Turkey is suspicious of Iran's nuclear ambitions and of the political control of the clerics. But there are strong economic ties, especially in the energy sector. Turkish relations with Syria have improved in recent years as both sides have sought compromises on minority and water-management issues. There has

been much speculation about Turkey's role as a model for other Muslim countries in the wider Middle East and Turkey's potential contribution to a resolution of the Arab–Israeli dispute. Turkey does not perceive itself as a role model and has shown no inclination to export its values, including secular democracy, to other countries. Similarly Turkey has been reluctant to be drawn into the Middle East peace process. If there were a settlement at some future date, and the EU was invited to play a role in economic assistance and/or peacekeeping, Turkey would most likely be willing to play a full role.

Turning to the southern Caucasus, Turkey has a troubled relationship with Armenia as a result of continuing disputes over the alleged genocide of 1915. There are no major problems with Georgia and Azerbaijan. Turkish economic influence has been growing in the Caucasus and in Central Asia, which could be useful for enhancing EU interests. There are also strong energy links, with a new pipeline bringing oil from the Caspian Sea to the Turkish coast. During the past decade, Turkey has played a constructive role in the Balkans, often working with the EU in peacekeeping missions and in promoting investment. The significant Muslim communities in the Balkans (Albania, Kosovo, Macedonia, Bosnia) would welcome a decision to open accession negotiations with Turkey. There may be a friendly race between Turkey and other Balkan countries to see who joins the EU first. Turkish–Russian relations have traditionally been cool, if not hostile, each fearing the ambitions of the other in the Caucasus and Central Asia. A strong increase in trade, however, has helped to improve relations between Moscow and Ankara. Both are members of the Black Sea Economic Cooperation (BSEC). Although it has few achievements to its name, the BSEC could receive a boost from Turkish membership of the EU (along with Romania and Bulgaria). Ukraine would likely increase its efforts to become a candidate country following a decision to open accession negotiations with Turkey.

The regular political consultations between the EU and Turkey over the past decade have revealed few differences. Turkey has played a prominent role alongside EU forces in peacekeeping operations in the Balkans and in Afghanistan. Ankara has ratified all major international agreements on arms control, proliferation and the UN conventions on terrorism. Its export-control policy is regarded as satisfactory. During the Convention on the Future of Europe, Turkey was broadly supportive of proposals to strengthen the CFSP/ESDP. It nevertheless favoured a reference to the NATO obligations of certain member states in the final text. Turkey has a good record in aligning itself with EU declarations, common positions and joint actions, although there have been some differences over human rights and Middle East issues. Turkish accession could provide a significant boost to economic and trade links between the EU and Turkey's neighbours. Transport links should be improved in the Balkans and to the Caucasus and Central Asia, thus facilitating trade and increasing Turkey's importance as a hub. Many of Turkey's neighbours have significant energy reserves, and Turkish accession could help secure access to these resources, possibly aided by the construction of new pipelines. Turkey will also play an important role in the EU's fight against terrorism and illegal immigration. At some stage it will likely seek to

join Schengen. At the same time construction of new dams in southeast Turkey is causing problems for Syria and Iraq. If not properly managed, these could become EU problems as well.

Turkey's membership of the EU should not in itself pose any major new problems for the EU's external relations. But the Union will inevitably be drawn closer to several regions of continuing political and economic instability. Turkish membership could, however, be an asset for the EU in seeking to promote its interests in these regions. Whether the EU emerges as a global actor will depend more on the political will of all member states and the readiness to make maximum use of the new treaty provisions than on the addition of any one new state, even one as large and important as Turkey. Turkey is the seventeenth-largest economy in the world and has enjoyed high growth rates in the past decade. If it were to continue with these growth rates, by 2014, the target date for accession, it would not be too far from the EU average in terms of GDP per head. But Turkey has a long road to travel and will have to maintain the pace of reforms introduced by the Erdogan government in 2003. It continues to infuriate even its best friends in Europe by regular lapses in human rights, such as the attempted prosecution of the leading author Pannuk for writing about the massacre of Armenians by the Turks in 1915, still a taboo subject in Turkey. Another very sensitive subject is Cyprus. According to the Greeks, Turkey invaded Cyprus in 1974 and engaged in ethnic cleansing. According to the Turks, they moved forces to Cyprus to protect Turkish Cypriots who were in danger of being killed by Greek Cypriots after a military coup.

Turkey's EU membership negotiations in mid-2011 were in dire straits. Problems over Cyprus, opposition from a number of member states, and Ankara's growing disillusionment over what it considers to be an insincere EU approach, is affecting relations. Each side is blaming the other for refusing to move. Since negotiations began in October 2005 only 13 of the 35 chapters have been opened with just one provisionally closed. Eighteen chapters are frozen due to vetoes by Cyprus, France or the European Council as a whole, with only three chapters remaining – competition policy, social policy and employment, and public procurement. While the French block a handful for political reasons the majority are blocked due to Turkey's failure to meet its customs union obligations fully vis-à-vis Cyprus. Until now Turkey has refused to do this, until the EU delivers on its own 'promises', in line with the unanimous decision of the EU Council of 26 April 2004, to the Turkish Cypriots. This was made following the 2004 UN Annan Plan Referendum for the reunification of Cyprus, when Turkish Cypriots voted 'yes' while Greek Cypriots voted 'no', only for Cyprus to become an EU member a week later. As something of a consolation prize the EU offered the Turkish Cypriots an economic package including a Direct Trade Regulation. However, the regulation has never materialised due to Greek Cypriot opposition. The Greek Cypriots view it as a step towards recognition of the Turkish Cypriot administration. As a result, confidence in the EU has decreased amongst Turks.

While the opposition of key member states, France and Germany, the economic crisis, and the fact that it has almost become socially acceptable to be

anti-Muslim, are serious problems, they are longer term issues. Leaders and circumstances change and with Turkey's possible membership at least ten years away nobody can predict the future today. Therefore, these issues should not be extravagantly blown up and used as an excuse to hide behind. It is also worth recalling that Turkey is the recipient of significant support from several other big member states. However, without a solution to the decades old Cyprus problem, Turkey cannot join the EU. Contrary to some Turkish statements the country needs the EU to continue the reform process and to attract FDI. A solution to the Cyprus problem would open the path for Turkey. However, while some progress has been made in the peace talks, there are still many gaps to be bridged. Sensitive issues such as property, power-sharing, security and territory are far from being agreed. However, if no progress is made on Cyprus, the membership talks will eventually stop. With this outcome the EU will need to find a way of keeping Ankara anchored in the EU orbit beyond the accession process if Turkey is not to 'slip away'. If the EU and Turkey were able to work constructively together in other areas such as energy, foreign policy, trade and security, opposition may slowly diminish. Speeding up Turkey's process towards a visa-free regime would also signal that the EU is ready to embrace Turkey, which is, after all, a crucial economic and political partner.

Cyprus

The unresolved problem of Cyprus may be viewed as one of the biggest failures of EU policy over many years. In 1961, Cyprus became independent from the colonial power, the UK, which nevertheless insisted on maintaining two sovereign military bases on the island. The island had two principal ethnic communities, roughly 75 per cent Greek Cypriots and 25 per cent Turkish Cypriots. In 1974, after a period of internal unrest and fears of a plot to unite Cyprus with Greece, Turkey invaded the island in an effort to 'protect' Turkish Cypriots allegedly under threat from the Greek Cypriots. The international community condemned the Turkish move; no state, apart from Turkey, recognised the self-proclaimed Turkish Republic of Northern Cyprus (TRNC). The government in Nicosia was regarded as the only legitimate authority, even though it was not in control of the northern part of the island. Cyprus remains divided today, despite innumerable attempts to find a solution.

In 1995, Cyprus applied to join the EU and was given a qualified green light by the European Commission. The EU considered that Cyprus should not be denied membership because of the intransigence of the TRNC leader, Mr Denktash. It was not thought that the Greek Cypriots would oppose any reasonable proposal to reunite the island. Cyprus was thus allowed to proceed through all stages of the accession negotiations without any commitment not to oppose a UN-brokered deal. In 2004, after months of difficult negotiations, and after the departure of Mr Denktash from the political scene, the UN secretary general, Kofi Annan, put his proposals to both sides. Essentially he proposed a package deal whereby there would be a confederal political structure, an exchange

of territory, a settlement of property issues, and Turkey would also withdraw its troops from the island. In April 2004, in separate referendums, the north voted 65 per cent in favour of the Annan plan, but it was rejected by 76 per cent of the Greek Cypriots. The EU had campaigned hard for a yes vote and was left looking helpless. EU Commissioner Verheugen said he felt betrayed by the negative vote in the south. But, despite the no vote, Cyprus acceded to the EU on 1 May 2004. There was no attempt to put Cypriot membership on hold until the island was reunited – the long-term goal of the Union. After May 2004 the EU promised the north improved trade and a financial package, but both measures were blocked by Nicosia. Eventually, in February 2006, the Council agreed a package of €139 million for northern Cyprus. The Cypriot attitude greatly annoyed several member states. The former British foreign secretary, Jack Straw, was perhaps the most outspoken when he declared in January 2006, after a disputed visit to the north of the island, that:

had EU membership been proposed under the current circumstances, neither the British government nor most European governments would have touched the idea of allowing a divided Cyprus into the EU. We want to see a unified Cyprus, but the current approach of the government of Cyprus does not in any way represent movement toward a united Cyprus and objectively is likely to lead to the opposite result.

Conclusion

Throughout the 1990s the Western Balkans were nearly always the top priority of EU foreign ministers. Today the Middle East, North Africa, Afghanistan, the struggle against terrorism and WMD proliferation sometimes have an equal or higher priority on the agenda. Competition for the attention of decision makers, but also for the administrative and financial resources of the EU, has become fierce. Yet there can be no doubt that because of its geographical proximity and the EU's massive involvement over the past decade, the Western Balkans remain a central challenge for the EU's external relations. The stability of the region is intrinsically linked to that of the EU, and the EU's credibility as an international actor thus depends to a large extent on its success in the Balkans. Unlike in 1991, the EU today has the experience, the instruments and the appropriate strategic concept to help the Western Balkan countries meet the challenges at hand. What is now required, first and foremost, is the determination and staying power to build on the progress achieved and to bring – in close co-operation with its partners in the region – the 'Europeanisation of the Balkans' to a successful conclusion.

The EU's performance in the Balkans during the 1990s left much to be desired. But the difficult learning experience led to progress in the defence field and a new resolve to offer the countries of the region a roadmap towards future EU membership. But the region has a very negative image with European public opinion, and, given the undoubted enlargement fatigue in the Union, no one can predict

when, if ever, the various countries will be ready for accession. The Balkans will be quite a mouthful to chew, but it is the question of Turkey's possible membership that is likely to give the EU indigestion. If Turkey continues with its current reforms, there should be no *prima facie* reason to exclude it. But the issue of Turkish membership has become highly sensitive in many member states; and France, for one, has promised a referendum if and when the negotiations are completed. At present it is difficult to see how the French people would endorse Turkish accession. Perhaps a settlement of the Cyprus dispute would go some way to calming fears about Turkey. But 30 years of failed negotiations offer little encouragement.

Key questions

1. How did the EU perform in the Balkans during the 1990s?
2. What are the main difficulties facing the Western Balkans?
3. Is the EU ready, willing and able to accept the Western Balkan countries as member states?
4. What are the prospects for regional cooperation?
5. What are the pros and cons of Turkish EU membership?
6. How would Turkish accession impact on EU foreign policy?
7. Cyprus was a major failure of EU foreign policy. Discuss.

Further reading

Owen (1995), Holbrooke (1998) and Bildt (1998) offer differing accounts of the Balkan quagmire in the 1990s. Hannay (2004) provides a masterful summary of the fruitless efforts to find a solution in Cyprus, while Gouillard (2004) offers a powerful polemic against Turkish membership of the EU.