



Compass 2020

Germany in international relations
Aims, instruments, prospects



The Balkans On War, Peace and Europe

Britta Joerißen

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The Compass 2020 project represents the Friedrich-Ebert-Stiftung's contribution to a debate on Germany's aims, role and strategies in international relations. Compass 2020 will organise events and issue publications in the course of 2007, the year in which German foreign policy will be very much in the limelight due to the country's presidency of the EU Council and the G 8. Some 30 articles written for this project will provide an overview of the topics and regions that are most important for German foreign relations. All the articles will be structured in the same way. Firstly, they will provide information about the most significant developments, the toughest challenges and the key players in the respective political fields and regions. The second section will analyse the role played hitherto by German / European foreign policy, the strategies it pursues and the way in which it is perceived. In the next section, plausible alternative scenarios will be mapped out illustrating the potential development of a political field or region over the next 15 years. The closing section will formulate possible points of departure for German and European policy.

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The Balkans

On War, Peace and Europe

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Abstract

The larger the European Union becomes, the fewer are the countries left outside its borders cherishing the hope of membership. For the Western Balkans, the question is what kind of European future lies ahead.

The accession of Romania and Bulgaria to the EU together with the progress made by Croatia and Macedonia on the road to Brussels could serve as further encouragement to the remaining Balkan states to pursue their transformation process; political progress would be followed by an economic upswing which could have a positive impact on the employment situation and the struggle against poverty. Tensions between the ethnic communities would no longer be served up to explain domestic calamities or to justify political decisions. We are in the second decade of the 21st century, *the Golden Twenty-Twenties*. It would be the heyday of the advocates of reform – and also the heyday of Germany and the European Union – for their foreign policy of safeguarding peace and advocacy of a sustainability-driven democratisation process has produced very visible results. A conceivable, though admittedly well-wishing scenario.

But the Balkans is at a crossroads, and an equally conceivable future is as the *Balkan black box*: The process of rapprochement with the EU would come to a virtual standstill, and the democratic, pro-European forces would lose their backing among their electorates. Political stagnation would be followed by economic stagnation, and even economic cooperation within the region would become increasingly difficult as a result of divergent dynamics in the different territories of South-East Europe on the one hand and bureaucratic barriers and visa restrictions on the other. The greater the social and economic hardship becomes, however, the more nationalist sentiment would be whipped up by the political elites, and violent conflict would again be a realistic prospect. Germany's and the EU's great project to bring peace, stability, prosperity and EU accession to this formerly war-torn region would have failed.

A third scenario – the Balkans as “...still a rat in a cage” – sees the Balkan states making great progress with their reform projects and fulfilling the EU accession criteria, but postulates that the EU declares the European constitution project to be its priority and rejects any further enlargement before the constitution has been adopted. Such a decision would have a demotivating effect, the populations would feel that their pro-European governments have failed them, initially optimistic investors would withdraw from the region, and the quest for alternatives would commence. Bosnia could be at risk of breaking up, the question of a “Greater Kosovo” would dominate the news, and NATO and the United Nations would again be timetabling special sessions on the Balkans.

Each of these scenarios depends on the interplay between significant factors, first and foremost accession to the EU, and closely associated therewith economic and social progress, the maturity and stability of democratic institutions and the solving of outstanding territorial and status issues in Kosovo and Bosnia.

The future course of events in the Balkans and the credibility of German and European foreign policy are closely interlinked; redoubled efforts to solve the associated problems are therefore necessary for a shared future in Europe.

I. The Balkans – On War, Peace and Europe

I.1 The Break-up of Yugoslavia and its Consequences

The end of the Cold War meant an end to decades of confrontation, but what many experienced as liberation visited upon Yugoslavia the greatest tragedy in its history. Reality had nothing left to sustain the myth: in the 1990s Yugoslavia, for many on either side of the Iron Curtain the epitome of peaceful coexistence within a multiethnic state, became an arena of war, first in Slovenia and Croatia, then in Bosnia and finally in Kosovo. It was time to redraw the map.

Croatia and Slovenia, unilaterally recognized by Germany as early as December 1991, are today sovereign republics. Macedonia now likewise enjoys sovereign status. Slovenia is the only one of the former Yugoslav republics to have become a member state of the European Union – in May 2004 – and at the beginning of 2007, it became the first of the younger EU member states to adopt the euro as its currency. Croatia has started accession negotiations, and Macedonia is about to follow suit. Serbia and Montenegro, the only remaining constituent republics of the former Yugoslavia, initially re-constituted themselves as the Federal Republic of Yugoslavia, but in 2003, some three years after the toppling of former Serbian president Slobodan Milošević and under pressure from the European Union, they became the State Union of Serbia and Montenegro, and now, since the referendum held in May 2006, both are sovereign republics. From the international public law perspective, Kosovo remains a province within Serbia, but it is administered by UNMIK, the UN transitional administration, which is handing over more and more powers to the institutions of the Provisional Institutions of Self-Government (PISG) of Kosovo. Currently – and in all likelihood at least until the end of January 2007 – Belgrade and Priština are holding discussions on the future status of Kosovo under the aegis of UN Special Envoy Martti Ahtisaari. Independence for Kosovo with conditions attached is becoming increasingly probable. The war in Bosnia was ended by the 1995 Dayton Peace Agreement, and Bosnia and Herzegovina¹ was constituted as a multi-ethnic state composed of two entities acting under a single-state umbrella – the Republika Srpska (RS) with a Serb majority population and the Federation of Bosnia and Herzegovina where the Bosniak² and Croat communities form the majority of the population. The Office of the High Representative (OHR) operates in this quasi-protectorate with special powers. How long the OHR will continue in its role there will depend on the pace of reform and the stability of the Bosnian state, though it must be said that the political, economic and social stagnation in Bosnia is proving resistant to therapy. Albania, Romania and Bulgaria have not been affected by these developments in terms of the definition of their state borders. Romania and Bulgaria became member states of the European Union on 1 January 2007.

The effects of the wars and the break-up of Yugoslavia do not, however, come to a halt at national borders, and the entire region of South-East Europe has undergone substantial destabilisation in economic, social and political terms.

In this sobering context, it is the economic development aspect which offers at least some reasons for hope: most of these states are achieving growth rates of between 4 and 5%, though investment in infrastructure and reconstruction projects is very unequally spread and unemployment rates differ in the extreme, from about 14-15% in Croatia and Albania, over 20–25% in Serbia and in Montenegro, 30% in Macedonia and Bosnia, to as

1] In accordance with common usage, referred to hereinafter as Bosnia.

2] Bosniaks is the term used to denote Bosnian Muslims.

high as 45% in Kosovo. Most countries have a very high foreign trade deficit, but not yet of an order of magnitude which would jeopardise their macroeconomic stability – with the exception of Serbia and Croatia, which have incurred a steep rise in foreign debt. In addition, large swathes of South-East Europe are seen as having a comparatively uncertain investment climate, attributable not least to the lack of any regulatory framework which would guarantee a coherent economic policy. If, however, political conditions were to become more stable and the prospect of EU accession more promising, these countries' economic prospects are not bad.³

By contrast, social and political development is proving problematic. Of particular concern are the high numbers of refugees paired with what has now become a disastrous degree of organised crime and corruption. The latter can be explained mainly by a lack of concerted action on the part of the South-East European states and the EU. But the region's geographical location (the "Balkan route") and the break-up of the former Yugoslavia into several small states are equally factors which have facilitated the burgeoning of organised crime which is undermining not only economic development in the region but also the process of democratisation and respect for the rule of law. Virtually all these countries are home to a distasteful mix of a considerable potential for nationalistic and anti-democratic sentiment and a political culture which is still in its infancy.

Moreover, a not inconsiderable percentage of the population of the former Yugoslavia has been severely traumatised by the experience of war. Attempts to seek reconciliation and come to terms with the past have proved to be fraught with difficulty. This is partly attributable to the fact that ethnic issues are still unresolved and even the international community has not been able to definitively settle the outstanding territorial and status matters – an entire century after the two Balkan Wars. But the difficulties encountered here also have to do with the fact that all the states of the Western Balkans are facing considerable minority problems with all the conflicts that these entail.

1.2 What Should be Done?

Given this context, the principal challenges in crafting the future of South-East Europe are clear. Looking ahead, accession to the European Union is an aspiration shared by all the states of South-East Europe, but it is one which presupposes fulfilment of certain predetermined standards and criteria – including stronger regional cooperation.

Of particular importance in this respect is resolution of the outstanding status issues, specifically those concerning Kosovo and transforming the existing post-conflict structures in Bosnia into the foundations of a well-functioning, democratic state.

To accompany these processes there is a need for initiatives to promote peace aimed at achieving reconciliation between hostile parties, reducing ethnic tensions and helping the respective populations to come to terms with the past. Such initiatives would have to be launched by the international community but would then have to be accepted and supported by all South-East European societies acting in unison.

Regarding the process of grooming democratic institutions to mature and function properly, much will depend on acceptance of the notion of own responsibility⁴ and stabilisation through reform. There is a need here to remedy the cultural factors which allowed for the break-up of Yugoslavia and led to war, factors which include institutional

3) See: Vienna Institute for International Economic Studies: Western Balkans. Economic Development since Thessaloniki, 07.03.2006.

4) A broad-based debate is currently taking place on the need for „Eigenverantwortung“, otherwise known as the „ownership“ debate. Where it applies to Bosnia and Kosovo, it refers mainly to the hand-over of powers from international agencies to local agencies.

weakness, personalised politics and nationalism-driven elites. The tools available to the international community for reshaping societal structures – traditional development co-operation, measures to strengthen civil society, political education – seem to have been inadequate in their impact to date.

Likewise necessary are reforms to the judicial system, in particular efforts to improve the quality of legislation and its enforcement. Reform is particularly urgent in the field of enforcing legislation to protect the rights of minorities.

A particular challenge – already alluded to in the points made above about reform of the judicial system and consolidating the democratic system – is the fight against organised crime and corruption, phenomena which call for concerted, cross-border action.

Regarding economic development, there is a need for policies which create stable and dependable framework conditions for investment. At the same time there is also a need for a robust social security system which sets out to include previously excluded population groups and curtails the ever widening clutch of poverty.

1.3 How the International Community has Responded

So far we have examined only the direct impacts of the wars on the states of the former Yugoslavia and its neighbours, but the framework conditions obtaining at international level – in particular in the European Union and Germany – have also changed fundamentally.

For example, in the aftermath of the war in Kosovo and at the initiative of the German EU presidency, a Stability Pact for South Eastern Europe was signed on 10 June 1999, one of the first comprehensive international efforts at crisis prevention and civil conflict management designed to re-establish and consolidate peace, democracy, human rights and economic prosperity in the states of South-East Europe. The constitutive document of the Stability Pact offered the possibility of EU accession for the states of South-East Europe,⁵ a possibility which has since been reaffirmed by the European Union on many occasions⁶ and is reflected in practical policy-making by the designation of systematic steps⁷ for the countries of South-East Europe to take on their way into the EU.

The prospect of EU accession works like a magnet on the countries of South-East Europe, and the notion of accession is sometimes used as a synonym for prosperity, security and peace. The European Union is thus the only organisation in the region which has the possibility of employing the principle of conditionality to exert “transformation pressure”: it is in a position to demand certain reforms and even specify the timetable for implementing them, allowing, in return, the countries of South-East Europe to move closer, step by step, to the EU. The EU is thus the most important actor for South-East Europe, but it is this not only from the political perspective but also in financial terms: its financial aid in 2005 exceeded that of all bilateral donors together by a factor of over 2.5 and that of the USA by a factor of 7.⁸ The EU’s power as a “magnet”, however, is much less strong on the states of South-East Europe than it was on the states of Eastern and Central Eu-

5] The only exception is the Republic of Moldova, which is involved in the activities of the Stability Pact but, unlike the other states, has no prospect of EU accession.

6] Including on the following occasions: European Council in Feira, 20.6.2000; EU-Western Balkans Summit in Thessaloniki, 21.6.2003; European Council in Brussels, June 2005; Enlargement strategy of the European Commission, November 2005.

7] These steps are: (1) Design/adoption of a feasibility study, (2) Opening of process leading to a Stabilisation and Association Agreement (SAA), (3) Conclusion of the SAA, (4) Award of candidate for accession status, (5) Opinion of the Commission, (6) Commencement of accession negotiations.

8] See: Office for South East Europe: Financial Flows to South-East Europe 2001–2005, June 9, 2005.

rope. In the case of the latter, democracy, the EU and prosperity were seen to go hand in hand; political regime changes had swept into power new elites who had sharpened their political profiles in their resistance to the former party officials. In South-East Europe, by contrast, most of the old elites who were responsible for the break-up of Yugoslavia still hold the reins of power, and, with change not usually a priority, their political will for reform and acceptance of the need for reform are not immediately apparent.

The EU's interest in South-East Europe, however, is not entirely selfless. *"It is in the European interest that countries on our borders are well governed. Neighbours who are engaged in violent conflict, weak states where organised crime flourishes, dysfunctional societies or exploding population growth on its borders all pose problems for Europe. [...] The credibility of our foreign policy also depends on the successes achieved in the region (the Balkans, ed.). The European perspective is both a strategic goal and an incentive for reform"*⁹

For the EU, thus, the Balkans has to become a "success story". Now that so much manpower and political and financial effort have been invested in the region, that region must furnish the proof that the EU's *peace-building* works and its Common Foreign and Security Policy is effective in the longer term and therefore a policy to be taken seriously. Another factor not to be underestimated in this context is undoubtedly that this very high financial investment has to be justified in the EU member states, where empty treasuries and budgetary austerity are matters of considerable concern. The massive intervention of the international community and its need to justify its actions, however, also harbour the danger that progress is "stage-managed" in order to suggest that things are happening. This is clear in Bosnia, where the EU is negotiating more or less with itself, and also in Kosovo, where it was more the impatience of the international community than the - very slow – reform progress made which triggered the commencement of status negotiations.

Now, the European Union is indeed a pivotal player for South-East Europe, but it is not alone. The violent conflicts there led a whole series of international actors¹⁰ to signal their engagement in the region, and the numerous and varied, sometimes consecutive missions listed in the following reflect only part of that international engagement: the NATO-led IFOR, SFOR and KFOR missions in Bosnia and Kosovo; the UN-led missions UNPROFOR, UNMIBH and UNMIK in Croatia, Bosnia and Kosovo; the numerous OSCE missions throughout South-East Europe, and of course the now principally EU-led police missions in Macedonia and Bosnia. At the political level, these wars also helped strengthen the insight that crisis prevention must have priority over ex-post intervention, that such interventions are not over when the fighting stops and that the political responsibility which they entail extends beyond the cessation of hostilities, and, finally, that what is essential is multilateral action and coherence in the actions of all multilateral actors. One consequence of this new view was the signing of the above-mentioned Stability Pact for South Eastern Europe; another was the establishment of the International Criminal Tribunal for the former Yugoslavia (ICTY), which was invested with a mandate to help settle the legal aspects of the region's international relations.

For the Federal Republic of Germany, South-East Europe and more specifically the Western Balkans¹¹ are regions of major significance; Germany's foreign policy guidelines are today replete with the hallmarks of the experience of the wars in the former Yugoslavia.

9] Solana, Javier: A Secure Europe in a Better World, European Council, Thessaloniki, 20.6.2003.

10] Alongside the EU, NATO, UNO and OSCE, mainly the international financial institutions IWF, World Bank, European Development Bank, European Bank for Reconstruction and Development, and also NGOs and media.

11] This geographically unspecific term is generally deemed to mean the states of the former Yugoslavia plus Albania.

II. United Germany's Foreign Policy

II.1 The Quest for a Role in International Affairs...

The reunification of Germany brought in its wake the beginning of a debate on Germany's role in international relations and, given the country's newly acquired full sovereignty, on Germany's enhanced influence on and stronger self-confidence in matters of foreign policy. Germany's unilateral recognition of Slovenia and Croatia in December 1991 was seen by some western states as a clear signal of a switch from a reticent "foreign policy of responsibility" to a pro-active policy of "power politics". After Germany's prompt recognition of these new states, the USA accused Germany firstly of having violated the principle of the inviolability of national borders and secondly of bearing partial responsibility for the outbreak of the conflicts in the former Yugoslavia. The then Foreign Minister, Hans-Dietrich Genscher, justified Germany's recognition of Croatia and Slovenia with the not entirely convincing argument that one cannot deny other states that which one has oneself long sought to achieve.

This debate on a change of direction for Germany's foreign policy moved into a higher gear when the German government agreed to participate in the war in Kosovo within a NATO mission framework and, for the first time since World War II, sent German troops into combat. The motives for getting involved in the hostilities became the subject of considerable controversy. On the one hand it was argued that Germany's foreign policy had moved on from "static defence" to "shaping action"¹² and had therefore been in compliance with both the obligations flowing from its alliance with the USA and NATO and its moral commitment to never again allow a genocide to happen ("No repeat of Auschwitz!"). Another factor which undoubtedly also played a role here was that the newly elected Red-Green government in Germany needed to demonstrate its reliability to its overseas partners, especially since the Greens had only recently triggered a discussion on disbanding NATO during its campaign for the 1998 elections.

On the other hand, there were fears of a remilitarisation of Germany's foreign policy. Germany's actions signalled a break with the pacifist identity of German foreign policy which had prevailed since 1945 and which, like "Never again Auschwitz!" was informed by the experience of World War II and found its identity-giving inspiration in the slogan "Never again war!" In addition, the mission in Kosovo had not previously been legitimized by a UN mandate and was therefore in the UN sense technically in violation of international law. The fear of having abandoned the concept of the primacy of diplomacy and political problem-solving grew as the war proceeded. But quite apart from these two foreign policy arguments, domestic considerations suggested that Germany had a vested interest in stabilising the region in order to prevent the refugee flows into Germany from swelling further.

The fear of remilitarisation and the abandonment of diplomacy, however, was not borne out by post-war events. "No country in the western alliance has done so much since the start of the hostilities in Kosovo to bring about a diplomatic solution as Germany".¹³ The following initiatives are of particular interest in this context:

The "Fischer Plan": Back in April 1999, Joschka Fischer put forward a plan which was to form an important basis for ending the war and setting up KFOR to operate under a UN mandate and thus prevent the renewed outbreak of conflict between Kosovo Albanians and Serbs.

12] Clement, Rolf: Die neue Bundeswehr als Instrument deutscher Außenpolitik, in: Aus Politik und Zeitgeschichte B11/2004, S. 40-46.

13] Hellmann, Gunther: Deutsche Außenpolitik. Eine Einführung, Wiesbaden 2006, S. 200.

The “Stability Pact for South Eastern Europe”: The Stability Pact was established at Germany’s initiative in June 1999 during the German presidency of the EU.

“Standards before Status”: Appointed at the beginning of 2002, the UN Special Envoy Michael Steiner announced a policy of “standards before status”, i.e. standards regarding respect for the rule of law, economic principles and human and minority rights would have to be met before discussion could begin on the future constitutional status of Kosovo. This was a clear appeal in favour of a political solution which would give primacy to safeguarding peace over the issue of state sovereignty, even though thereby disregarding the findings of transformation research which unanimously assert “No standards without status”.¹⁴

This responsibility entailed by civil and political post-conflict transformation is reflected by the facts and figures. The human rights/minorities agenda, backed up by some 5 million, forms the main pillar of the humanitarian aid of the Federal Republic of Germany (of which 2.3 million is for Bosnia and 2.1 million for Serbia, including Kosovo). Numerous German nationals have been seconded by the Federal Government to serve as experts in human rights, democratisation and legal security issues with OSCE missions right across South-East Europe. Since September 2006, a German, Joachim Rücker, has been in charge of UNMIK; prior to that appointment he had headed up the UNMIK “pillar” dealing with economic reconstruction. A second of the four UNMIK “pillars”, that to build up institutional capacity run under the auspices of the OSCE, has been under the command of Werner Wnendt since 2005. Since February 2006, the OHR in Bosnia has been headed up by the former German post and telecommunications minister Christian Schwarz-Schilling. Germany’s contribution to the war crimes tribunal in Den Haag amounted to over 10 million in 2005, a figure representing more than 10% of the tribunal’s total budget. Germany’s official development assistance to South-East Europe amounted to a total of 117.5 million in 2005, of which 53.65 million was destined for just Serbia, Montenegro and Kosovo.

In addition to providing financial assistance, Germany is also supporting the states of South-East Europe politically and is seen within the EU as one of the strongest advocates of EU accession for these states. It underscores this support through numerous visits to the countries of South-East Europe by German ministers and more particularly by MPs from all parliamentary parties.

Regarding military and security policy matters, Germany’s contribution included, inter alia, supplying 5,000 troops and thus the largest contingent for the ESDP-led Operation Althea in Bosnia and also over 2,500 soldiers for the KFOR mission in Kosovo.

At this juncture, however, it is worthwhile examining the costs of Germany’s “non-action”. When France proposed sending WEU troops to the region in the summer of 1991, i.e. before the outbreak of war, Germany endorsed the proposal in principle but refused to participate. And for three years after unilaterally recognising Slovenia and Croatia – an act which was wrong not because it came so promptly but because it split the West and was granted without reference to any apparent criteria (Macedonia was not recognised!) – Germany withdrew from the conflict altogether. War broke out in Bosnia with disastrous consequences: some 220,000 people killed, economic and political decay within the region, high numbers of refugees and asylum-seekers, the tolerance of war crimes

14] See: Schmitter, P. C.: Von der Autokratie zur Demokratie. Zwölf Überlegungen zur politischen Transformation, in: Internationale Politik 1. Jg. (1995), Heft 6, S. 47–52. S. 49: “Despite all the literature on the so-called prerequisites for democracy, there is only one rule on which all ‘consolidogists’ can agree: It is most certainly preferable, if not essential, that a national identity and territorial borders be established before the political (or economic) institutions are reformed.”

and ethnic “cleansing”, the legitimisation of ethnicity as the basis for policy-making, the failure of the UN mission, which was a contributing factor to the discrediting of the UN and the withdrawal of the western states from their prior UN engagement, the showcasing of the impotence of European foreign policy and, finally, the return of American balance-of-power politics to the Balkans.¹⁵ Even in 2004, when an only two-day revolt resulted, inter alia, in 19 people killed, 1,000 people injured and some 3,600 Serbs forced to flee their homes, the German armed forces could not intervene because they were apparently not appropriately equipped to do so.

II.2 ...And the Debate on Being and Consciousness

Germany is seen as one of the strongest supporters of the states of South-East Europe, and the core element of Germany’s policy for the region is the prospect of EU accession. Time and again the Federal Government has emphasised that the political, economic and security measures which make up its strategy for South-East Europe are all geared to bringing peace, democracy, stability and prosperity to the states of South-East Europe and supporting them on their way into the European Union. All official government statements have the same tenor, this despite the fact that since the failed referenda on the constitution in France and the Netherlands and a growing “enlargement fatigue”, there are also some German sceptics of accession for whom “deepening” the EU has higher priority than its enlargement. That the Germans can also be accused of not always backing up their own words with the appropriate action is illustrated by the cases of Romania and Bulgaria: after having very strongly advocated accession for these two countries on 01.01.2007, the German parliament took its time with the ratification process and, when it finally came, the ratification was accompanied by the announcement that the protection clauses would apply with immediate effect on accession rather than after expiry of a transition phase.

“Germany’s bolder foreign policy”, a claim originally articulated by Gerhard Schröder and Joschka Fischer and since frequently belaboured, is not, however, borne out by the budget statistics. *“Whereas the federal budget has increased by 25% since 1990, spending on defence has been cut drastically, from 32 billion in 1990 to less than 23 billion in 2001, and spending on development cooperation has also suffered a noticeable retrenchment, from 4.3 billion in 1990 to 3.6 billion in 2001. Only the budget for the Foreign Office increased in the period 1990-2001: from 1.8 billion to 2.00 billion. In 1990, these three ministries – defence, development cooperation and foreign affairs – together claimed 21.5% of the total national budget; by 2003 their share amounted to only 12.00%. Over the same period, the budget appropriation to the Ministry of Labour and Social Affairs rose from 23% to 36% of the national budget.”*¹⁶ These orders of magnitude have not changed much since then: in 2005 the three ministries concerned with foreign policy together claimed 11.6% of the total federal budget.

And while the German government was demonstrating its commitment to prevention and civil conflict management through the so-called “Fischer Plan” and the Stability Pact for South Eastern Europe and was indeed seen by other European states as standing by that commitment, it was not until May 2004 that the “Plan of Action of the Federal Government for Civil Crisis Prevention, Conflict Resolution and Peace Consolidation” was adopted. This plan of action is indeed predicated on an inter-ministerial approach with, moreover, the involvement of some sections of civil society and does indeed specify some concrete projects to promote peace, but there is a clear lack of energy being de-

15] See: Maull, Hanns W./Stahl, Bernhard: Durch den Balkan nach Europa? Deutschland und Frankreich in den Jugoslawienkriegen, in: Politische Vierteljahresschrift, Jg. 43 (2002), Heft 1, S. 82–109.

16] Hellmann, Gunther: Agenda 2020. Krise und Perspektive deutscher Außenpolitik, in: Internationale Politik 9/2003, S. 39-50.

ployed in implementing these projects, and at the practical level there is only very scant evidence of any inter-ministerial cooperation. But the approach as such remains positive, and it can only be hoped that more time and initiative will ultimately allow it to be deployed to good effect. One positive sign is that the first report of the Federal Government on the progress made in implementing the plan of action, dated 31.05.2006, signals the prospect of switching "in future the primarily national focus of the first two years of implementation [...] to cooperation at international and European level".¹⁷ For the states of South-East Europe and in particular Bosnia and Kosovo, such concerted European action would indeed be very helpful.

At this point it is appropriate to underscore Germany's engagement in the implementation of the Stability Pact for South Eastern Europe. The aim here is to transfer more and more political, financial and manpower responsibility to the states of South-East Europe with the involvement of the EU and other bilateral donors. Although the Stability Pact is to remain a forum for regional cooperation and Euro-Atlantic integration, its focus is being transferred to the region, its activities will be taken over by a Regional Cooperation Council (RCC)¹⁸ and the Secretariat of the Stability Pact in Brussels will play a merely supportive role to back up the RCC. These are clear indications in the direction of regional "ownership".

Regarding the future of German engagement in South-East Europe, the following is recorded in two important documents of the Federal Government, the "Report of the Federal Government on the Results of its Efforts to Further Develop the Overall Political and Economic Strategy for the Balkans and All of South-East Europe for the Year 2005" (dated 24.02.2006) and the "Plan of Action of the Federal Government on 'Civil Crisis Prevention, Conflict Resolution and Peace Consolidation'" (12.5.2004): *"Particularly in the light of the current discussions on the future status of Kosovo, with regard to South-East Europe the Federal Government will continue to pursue a policy of political and economic stabilisation which is geared to preventing renewed conflict and facilitating the integration of the countries of the region into the European Union"*¹⁹

It is precisely this, namely that Germany will continue to play its traditional role as a supporter of enlargement and, despite a backdrop of widespread "enlargement fatigue", will be even more forthcoming in taking the initiative, which is expected, particularly by the states of South-East Europe.

III. Scenarios for the Future Course of Events of the Balkans

III.1 "The Golden Twenty-Twenties"

The accession of Bulgaria and Romania to the European Union and the positive reports on the progress made by Croatia and Macedonia in their accession negotiations are spurring on the remaining Balkan states in their efforts to proceed through the interim steps, fulfil the accession criteria and trigger an unprecedented political, economic and social upswing. Serbs, Croats, Bosnians and Albanians on holiday on the shores of the

17] See the paper on peace promotion by Michèle Auga in the „Kompass 2020“ series (awaiting publication).

18] The Regional Cooperation Council will have a Secretary-General from the region who will be nominated by the South East European Cooperation Process (SEEC). The decision on which country in South-East Europe will host this new regional structure is to be taken by the South-East European states themselves.

19] Bericht der Bundesregierung über die Ergebnisse ihrer Bemühungen um die Weiterentwicklung der politischen und ökonomischen Gesamtstrategie für die Balkanstaaten und ganz Südosteuropa für das Jahr 2005, Drucksache 16/778, 24.02.2006, S. 3.

Black Sea – visa problems are now a thing of the past – see numerous notices bearing the following information “This health centre (or university, research park, etc.) is being built with financial support from the European Union” and, on their return home, help strengthen the pro-European movement.

The state – not the international community nor dubious and obscure family or clan structures – is perceived as the authority responsible for handling the social challenges and needs of a country. The democratic institutions have become more mature and more stable, the separation of legislative, executive and judiciary powers is working, there is even more cooperation at the highest political level with each country’s neighbours, and cross-border reform projects, e.g. to contain organised crime, are increasingly taking shape. The calibre of the political elite is very high, but, if that standard is to be maintained, more must be invested than has so far been the case in both universities and political organisations in order to groom a successor generation of equal merit.

The European Union observes this course of events with great satisfaction, after all the Balkans is the prestige project to which its sustained *peace-building* and *peace-keeping* efforts have been directed and the proof that the EU really does have a well-functioning Common Foreign and Security Policy which deserves to be taken seriously. The EU is the Balkans’ most important and most reliable partner and is also seen as such within the region. Internally, the EU has struggled through difficult discussion processes and ultimately accepted that “deepening” the European Union should take place not before but in parallel to enlargement. The speedy accession of the Balkans to the EU is now emphasised in every speech.

Foreign businesses assess this as a sound indicator of a stable economic environment and invest in the Balkans. This in turn has a very positive impact on these countries’ economic growth, employment levels and efforts to fight poverty. The citizens’ standard of living is considerably higher. There is still dissatisfaction – the result of economic and social inequality but often negatively associated with ethnicity – but such dissatisfaction is on a much smaller scale and tensions between the ethnic communities can no longer be served up to explain every domestic calamity or justify every political action. This does not transform Serbs, Albanians, Croats and Bosnians into best friends overnight, but it does at least partly defuse the issue of reconciliation and coming to terms with the past, and thus facilitates the work of dialogue-driven initiatives and enables the political elites to concentrate on substantive issues rather than those fuelled by ethnicity considerations.

This development is helpful for the reforms in Bosnia and eases the path from an ethnocratically structured state to a state which exists for its citizens. Abandoning the policy of making public appointments on the basis of ethnic proportionality has stripped the overstretched administration of its excess weight, and the savings made here can be invested in public goods and services.

Even the fact that Serbia – after losing Kosovo in 2007 – is still governed by democratic parties instead of radical nationalists is attributable to the economic upswing and the prospect of EU membership within the near future. This partly compensated the identity crisis precipitated in Serbia by the loss of Kosovo, and allowed the Serbian government to offer generous financial assistance to Serbs formerly living in Kosovo who, more or less voluntarily, returned to Serbia after Kosovo became independent. The European Union’s goal of establishing a multi-ethnic society in Kosovo has been frustrated, but there is none the less a long-term prospect of rapprochement between the Serbs and the Albanians. In some decades’ time, people will fondly recall *the Golden Twenty-Twenties*.

III.2 The “Balkan Black Box”

The gap between the desirable and reality is widening, the optimism about future EU membership is giving way to the sobering realisation that this process has not only been bumpy but has even at times come to a complete standstill. Serbia is still waiting for the Stabilisation and Association negotiations to be brought to a conclusion – long since overtaken in this respect by Montenegro and now only just ahead of Kosovo. Macedonia’s negotiations are fraught with difficulty, Albania and Bosnia are in a similar situation, and only Croatia can hope for a speedy conclusion of the negotiations. The EU is not prepared to make any concessions regarding its accession criteria and insists on 100% fulfilment. Heterogeneousness in South-East Europe is becoming ever more apparent, with Slovenia, Bulgaria and Romania as EU member states and Croatia as a near-member on the one hand and the remaining states of the region on the other. The Balkans is becoming Europe’s blot on the landscape, the “*Balkan Black Box*”.²⁰

The pro-European, democratic forces are losing support within the population. The state has lost authority in handling its main responsibility, that of giving its citizens transparent rules and creating the conditions which allow for a life in dignity. It is increasingly being replaced by non-governmental, non-democratic forces, former warlords and business magnates. This process is legitimated and supported by a one-sided media scene which is largely dominated by commercial interests.

A further complicating factor alongside the stagnation in politics and the economy is that most foreign investors choose to avoid the region because of its political instability. Regional economic cooperation is also increasingly problematic because of the extreme economic heterogeneity of the region on the one hand and bureaucratic obstacles, visa restrictions, etc. on the other. Poverty and unemployment are on the rise, the government budget for public goods and services is contracting accordingly, and social unrest and protests set the agenda for the business of day-to-day politics.

This also has direct implications for the health of relations between the various ethnic communities. The greater the social and economic hardship, the more the political elites turn nationalism to their purposes, glorify war criminals as great patriots and widen the mental distance between their own and other ethnic communities. Co-existence between the ethnic communities is still more or less possible, but time and again hostility leads to violent attacks – the conflict continues to fester below the surface, and it takes very little to trigger an eruption of violence. Bosnia in particular, a state conceived as a multi-ethnic entity, but also Macedonia and Serbia with their large minority communities, are particularly threatened by this phenomenon

The International Criminal Tribunal for the Former Yugoslavia (ICTY) was initially able to exert a large measure of pressure on the Balkans. Any country which failed to cooperate, which refused to extradite its war criminals or take effective measures to foster reconciliation and come to terms with the past could reckon on restrictions imposed by the EU. As the process of rapprochement with the EU, the “carrot”, has come to a standstill, the ICTY, the “stick”, no longer has any clout.

For the EU, this course of events has meant a considerable loss of face. The project of bringing peace, stability, prosperity and integration into the European Union to this formerly war-torn region has failed. This failure is grist to the mill for the sceptics of EU enlargement and severely frustrates the efforts of the supporters of enlargement to

20] An allusion to the „Balkan Black Box Film Festival“, which takes place annually in Berlin.

justify EU action to their European constituencies – after all, the financial investment in the Balkans was vast when measured against the ever more austerity-governed budgets of the EU member states. A cloak of silence is therefore cast on the entire subject of the Balkans. If, however, hostilities were to break out again in South-East Europe, firstly the EU would have no clear strategy for intervention, and secondly it would be very difficult for the advocates of a longer-term non-military prevention strategy to argue their case successfully. And not only would the EU have lost face on the international stage, it would have finally exhausted the patience of the power which had initially been prepared to place its trust in the EU as a strong partner, the USA.

III.3 "...Still a Rat in a Cage"

The Balkan states are zealously trying to imitate Croatia, have made great leaps forward in their rapprochement with the EU, and fulfilment of the final accession criteria is now only a matter of time. Their economic performance could be better, but they are gradually and successfully reducing both their foreign trade deficits and their inflation rates – while at the same time sustaining their economic growth. The principle of the separation of powers is functioning well both in theory and in practice, the democratic, pro-European governments have been able to face down the hydra of corruption and are rewarded for their efforts by the populace at the elections. Investment programmes initiated by the EU and its member states are advancing their efforts to reduce unemployment. For Serbia, even the loss of Kosovo can be counterbalanced by the prospect of EU membership. The situation is similar in Bosnia, where long outstanding reforms have been rapidly implemented under the motto "That's what Brussels wanted". The Balkans is gradually settling down.

But while EU rhetoric is fully in support of the Balkans, the EU as an institution is again trying to adopt a constitution – the "deepening" of the EU has priority over EU enlargement. Although the EU populations are exercised mainly by the prospect of a loss of sovereignty and power being amassed in Brussels – in other words the "deepening" of the EU –, the political elites tap into the latent fear of foreigners which exists in their constituents, use this to justify their agendas and play "deepening" off against enlargement. The Balkan states, however, have no influence on the notion of "first the constitution, then enlargement". They run and run but they never reach the finishing line – "*...still like a rat in a cage*"²¹.

This prospect has a highly demotivating effect. It causes reform projects rapidly to lose their appeal; citizens feel that their pro-European governments have let them down and punish them by casting their votes for nationalistic parties. Once optimistic potential investors become impatient and withdraw from the Balkans, employment rates continue to fall, poverty increases, the sense of depression which had befallen the younger generation, only recently dispelled, again takes hold, but this time with twice its initial force. The EU thoughtlessly removes the "transformation pressure" which it was once able to exert on the Balkans – the greater the enlargement fatigue within the EU, the greater is the Balkan fatigue with the transformation process.

The search for alternatives has started: Bosnia is about to break apart as the result of a referendum imposed on the Republika Srpska. Solana had reluctantly agreed to this referendum but set a validity requirement of 75% of all registered electors – a hurdle which was easily surmounted. Subsequent to the referendum there is fighting in Mostar, and the Croats establish a Novi-Mostar. The danger of Bosnia becoming a *failing* or *failed*

21] An allusion to the song „Bullet with Butterfly Wings“ by „Smashing Pumpkins“.

state is a matter of serious consideration not only for experts. The “Albanian question”, too, finds itself on the agenda again, but this time in the context not of a “Greater Albania” but instead of a “Greater Kosovo”, a prospect which is increasingly appealing to the Albanian minority in Macedonia and also to some Albanians living in Montenegro – in absolute contrast to the Serbs, who see themselves severely threatened by this course of events and choose to confront their neighbours on the matter. NATO and the United Nations are constantly scheduling special sessions on the subject of the Balkans.

IV. On the Road to Brussels – Action for the Balkans! Options for German Policy-Makers

The chapters above suggest that certain factors are of fundamental importance for the development of the Balkans. These include, first and foremost, accession to the European Union, which is often equated in the context of South-East Europe with the advent of prosperity, peace and stability and is therefore an instrument via which the EU can exert pressure for change on the Balkan states. Directly contingent on this in two respects is the economic and social development of the Balkans: firstly, the closer an aspirant to accession gets to the EU, the larger the amount of financial assistance and pre-accession funds it receives and the stronger is the confidence of foreign investors in that country’s stability; and secondly, the better the country’s economic and social performance is, the faster it will move towards accession. A factor of decisive importance for the development of the region is the existence of stable and mature democratic institutions. This is not only a criterion for accession, it is also a matter of how well and reliably the state can exercise the duty of care incumbent upon it with regard to its citizens, for example whether it is capable of creating stable economic conditions and building up a transparent judicial system. Further fundamental factors include resolving the issue of the status of Kosovo and the consequences which flow from such resolution, and reform of the state structures in Bosnia. Both these factors will in turn have a strong impact on whether peaceful co-existence for the various ethnic communities will be possible in future or whether the potential for nationalism and chauvinism is so strong that it jeopardises what is already a very weak process of reconciliation and thus also the safety of minorities.

These factors are, of course, heavily interdependent, and this offers a number of options for Germany’s policy and action in and for the region.

The states of the Balkans have been working for years to move closer to the EU, introducing new legislation to meet EU standards, and generally trying to meet the requirements of the EU as fast as possible – including in the field of regional cooperation and cooperation with the ICTY, etc. Without this prospect, the modernisation and reform processes in many of the Balkan states and, more generally, regional cooperation on the whole, would have been even slower, and the stability of the region would have been more fragile. Here, the EU has the possibility of exerting pressure for reform. If it allows doubt to be cast on the prospect of accession, it would endanger the region in many fundamental respects – stability, social and political reform, cross-border cooperation. Here, Germany can play a decisive role, advocating speedy accession to the EU, persuading the other EU member states of the urgency of accession, and pressing for a common official line in favour of the prospect of EU accession – despite the “enlargement fatigue” and the election campaigns taking place in many EU member states.

The Stability Pact for South Eastern Europe is one of the first international and comprehensive strategies for crisis prevention and post-conflict transformation, with the clear aim of EU accession for the states of South-East Europe. Do the EU and Germany as initiators of the Stability Pact want to risk leaving what is proving to be a very difficult and costly task only half completed? The argument that work on the Stability Pact is being continued within the region in the interest of fostering the regional ownership element simply doesn't withstand scrutiny. Particularly at a time when its proclaimed foreign policy is social democratic and inspired by the findings of peace research and the principle of sustainability, Germany should walk the talk and energetically promote the goals of the Stability Pact.

Failing to uphold the unambiguous support for EU accession for the Balkans would not only dash the populations' greatest hopes but also deprive the democratic, non-nationalistic political elites of their incentive to tackle the difficult task of reform and stabilisation at some speed. One of Germany's main goals and one of the core areas of activity of the OSCE which Germany is strongly supporting is to promote the democratisation process. Germany should take a clearer stand in this respect.

It will not be long before the Western Balkans becomes a sub-region surrounded by the Schengen zone and isolated within Europe, a location of powerful attraction for organised crime and corruption. These phenomena would not only seriously destabilise the region but would also have an impact on neighbouring countries, i.e. EU member states. "The co-existence of different regulatory regimes with pronounced price differences offers a strong incentive to illegal cross-border trafficking. The largest and most robust regulatory regime in the world, the EU, sharing borders with the de facto non-regulated territories of South-East Europe is the basis for a criminal economy. There is a danger of a paradoxical development in this respect: the bigger the share of South-East Europe which is absorbed into the EU, the more significant the borders with the remaining non-integrated territories will become – and likewise the incentive for illegal trafficking across those borders. The black hole becomes ever deeper as its surface area contracts."²² As this cannot be in Germany's (economic) interest, Germany should do everything in its power to push for the accession of these states to the EU.

The present, strict visa regime is disadvantageous and should be changed. It is very difficult to communicate European values to the people of the Balkans when the large majority of them are denied the possibility of travelling outside the country, let alone into the EU, because of visa restrictions. Likewise counterproductive in this context is the fact that those who have to obtain a visa can easily obtain a passport elsewhere: the Moldovans, for example, from Romania, the Macedonians to some extent from Bulgaria (both thus becoming direct citizens of the European Union), the Bosnian Croats from Croatia, etc.

If the process of EU accession is drawn out over a very long time, this would have a deterrent effect on potential foreign investors. Moreover, the differences between the various states would become more pronounced as they proceed at different speeds through the pre-accession process, a fact which could lead not only to further tensions between the countries but also to serious economic crises (particularly in Serbia, Bosnia and Kosovo). A further complicating factor here is that small domestic markets already make the region far from attractive in the eyes of potential foreign investors. This argues firstly for speedy EU accession and secondly for intensifying economic relations with the Balkans. Major investments in infrastructure in particular could generate a pull effect in

²²] Michael Ehrke (FES-Budapest), unpublished MS.

this respect. Germany could play the role of an intermediary, portraying the Balkans as they really are and persuading companies of the merits of investing in the region. The Committee on Eastern European Economic Relations, a German business organisation, is already working along these lines; its efforts could be given support in the form of visits by the German minister of economic affairs and accompanying business delegations.

Germany's relations with most of the states of South-East Europe are good, and visits are particularly frequent at the parliamentary level. Within this framework German MPs could do even more to inform their South-East European counterparts on the internal situation or crisis within the EU and convince them of the urgency of introducing reforms in their countries. Thought could also be given in this connection to granting parliamentarians from the Balkan states consultative status within the European Parliament.

If the process of endowing the European Union with a constitution runs into further difficulties and prevents the Balkan states' accession for the foreseeable future, provision should be made at least for a "plan B" to compensate in particular those countries which by then have already fulfilled all the accession criteria.

With regard to Kosovo, having coined the "standards before status" maxim, Germany should continue to insist on the standards being adhered to and give precedence to safeguarding peace over power political considerations. In this context it should also not bow to international mainstream pressure by abandoning Serbia to its fate. Serbia is of fundamental importance to peace and stability in South-East Europe.

Russia plays a decisive role regarding the status of Kosovo, and in the medium to long term will do so again with regard to the Republic of Moldova – a direct EU neighbour since 01.01.07. Through its veto it has the power to block decisions of the UN Security Council. The involvement of Russia should therefore be sought more actively than hitherto, and Germany could intensify its good relations with Russia in the Contact Group.

In its capacity as a member of the Steering Board of the Peace Implementation Council (PIC), Germany should do all it can to ensure that the state of Bosnia and Herzegovina is not abandoned to its fate, and that the High Representative does not leave before the state reform has been successfully implemented. If the mandate of the OHR should be terminated before then, at least the EU Special Representative should be invested with particularly robust powers and given a mandate which is clearly defined by the EU.

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