

REGIONAL COOPERATION AND INTEGRATION IN THE BALKANS - A HISTORICAL CHALLENGE FOR A DIFFERENT FUTURE

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Regional cooperation in South-Eastern Europe (SEE) has never been so important as today. A multitude of motives, economic and non-economic, now exist to intensify regional cooperation, which in turn would help to induce growth, to strengthen security and political stability and to promote development and modernisation in SEE countries.

Why Has Regional Cooperation in SEE Become Imperative Today?

- All SEE countries have already entered the same stream of political and economic processes and are coping with similar challenges such as: democratisation, economic and institutional reform, and modernisation. Many of the problems encountered at present in the region can be resolved only through cooperating with each other, such as ethnic tensions, organised crime, the return of refugees, and the re-establishment of regional communications. None of the region's countries can ensure a sustainable progress, neither in its national programme of reform nor in the bilateral Association Agreements, so long as our region remains unstable and economically backward.

- Political, economic and cultural intra-regional cooperation appears to be the unique way to overcome mutual historical distrust, to prevent further escalation of conflicts and disintegration, and to ensure the existence of multi-ethnic societies in the region.

- Intra regional cooperation is a natural prerequisite as regards the future integration with Euro-Atlantic Structures.

- The main causes of destabilisation and conflict in the peninsula are of a regional character. Sustainable peace and stability, given that international actors remain involved and committed, can only be achieved and guaranteed in a cooperating environment of all regional factors.

- The countries of the region feature small economies and narrow markets and an increase in their commercial exchanges would surely represent an impulse affecting positively economic growth. Increasingly, growth and development in the Balkan countries will depend on increasing exports.

- Existing interdependence for major transportation/communication lines and energy supplies.

The tendencies and factors that enable and promote a cooperative approach between states in the region are as follows:

- the pre-Cold War ideological, political and military barriers between them have been eliminated;

- Western policies towards the region are no longer motivated by traditional geo-political interests, indeed, it is now the whole region that represents an interest for and attracts attention from the West rather any particular country. A better understanding of this fact could help Balkan countries to start behaving as a "region", accepting regional identities and developing common regional interests;

- numerous wars and conflicts over the past decade have at least resulted in a direct and unprecedented involvement of the EU and USA in regional developments;

- compared to ten years ago, there is of course much greater understanding of and political will for dialogue and cooperation among the region's countries themselves. Despite the modest results so far, an intensification of effort and further cooperative initiatives can be observed, either at a bilateral or multi-lateral level;

- although diplomatic contacts have been limited, cooperation and Balkan dialogue is not starting from scratch. It has continuity and a tradition at least regarding the "low political issues" of cooperation;

- contacts amongst people from different countries in the region have significantly increased in recent years. The pioneers of such exploration have been above all businessmen, artists and people from the civil society.

There are now possibilities and pre-conditions in the region that might allow for an intensification of trade cooperation. Firstly, there are no significant differences in growth rates of the countries in the region, almost all of which have opened up their economies to the world. And secondly, some of the macroeconomic variables such as inflation, unemployment and investment have similar trends.

What are the obstacles and other factors that block better regional cooperation?

- SEE remains the most destabilised region in the continent where conflict potential remains high (Kosovo, B&H, Montenegro, FYR of Macedonia). All states and emerging nations in the region are still hampered by the difficulties of painful political and economic transition. Many are still threatened by economic crisis and political and social instability (Albania, FYROM, Montenegro, Serbia and to lesser extent Bulgaria and Romania).

- Old enmities and traditional distrust rooted in the history of the Balkans itself.

- More recently, the fresh memory of crimes and casualties caused by the dismantling of ex-Yugoslavia, and a range of regional disputes such as the fragility of the Dayton Agreement, the undefined Kosovo status, and the frictional relationship between Greece and Turkey obviously represent barriers to achieving regional cooperation.

- The cultures of Balkan societies are, in general, isolated from one another. Paradoxically enough, it can be observed that these national cultures were in the past more open to and exchangeable with other cultures (mainly oriented towards Western Europe) rather than with each other. The traditional elements in these cultures such as ethnicity, religion, and patrimonial psychology are still quite strong and prevent governments from undertaking integrating initiatives.

- The existence of extremist and aggressive nationalisms that become even more harmful when at the service of populist policies. Unfortunately, Balkan countries do not have visionaries and

courageous political leaders able to detach their nations from the psychosis of inter-ethnic hostility and convince them of the necessity for cooperation and integration with former "enemies". (We still don't have Balkan equivalents of Adenauer, Schumann, De Gaulle or De Gasperi.)

- The region lacks power centres able to serve as an initiator and accelerator of integrating processes. None of the Balkan countries can play the historical role that France and Germany took in the integration process of Western Europe. Such a power centre exists only outside the region, i.e. the EU.

- Lack of homogeneity. The Balkans represents one of the most diversified sub-regions of Europe. States differ significantly from each other in size, in their economic development and structure, in their cultural and religious traditions, and in their institutional relations with European structures.

What is the Actual State of Cooperation in SEE?

Today, SEE is even less economically integrated than ten years ago and, as in the past, this is still determined to a large extent by non-economic factors whether these be historical, geopolitical or ideological. All efforts focusing on regional cooperation and integration within the last ten years have been initiated from outside of the region. The region itself, until today, has demonstrated a very low propensity for integration.

Although there has been a little progress with trade and investment, regional trade markets remain embryonic, mutual investments are insignificant, and even bilateral trade relations are still underdeveloped. In fact, many SEE governments have continued to give priority to other extra-regional trade areas or economic cooperation institutions. Within the region, there are still serious trade barriers, including both tariff and non-tariff barriers, inefficient institutions and infrastructures (such as at customs and border crossing points), and transport bottlenecks.

However, bilateral relations and cooperation seem to follow a more positive trend than multi-national cooperation, where progress has been insignificant and largely symbolic. It is obvious that the crisis in ex-Yugoslavia has seriously hampered any progress with multilateral

cooperation to the extent that a certain phobia exists about any kind of such cooperation. Until now, cooperation initiatives within the region have been focused mainly on "low political" matters such as trade, energy, transport and environment, rather than - and perhaps in the hope of stimulating - cooperation initiatives focusing on "high political" issues such as political, military, and security problems.

Prospectives for Increased Cooperation in the Region

A concrete and credible prospective (clearly accepted and articulated) of the region's integration into the EU would obviously induce a new dynamic into the political processes in the region. Governments would become more committed and responsible in implementing reform programs; it would create a more competitive environment; support would be given to moderate and reformist politicians in these countries, and it would help to intensify cooperation and regional integration. The international community correctly considers regional integration to be a pre-condition for European integration. This, however, should not necessarily mean that integration in the EU would be a follow-up phase, starting only when measurable progress towards regional cooperation has been made. The perspective of European integration will produce its maximum impact only if it is and is seen to be a parallel and complementary process with regional integration.

If the EU offers the same non-discriminatory opportunities to all countries of the region (of course, by duly respecting its conditionality and performance criteria), it would preserve the coherence of the region and would also increase the beneficial effects of cooperation among the countries concerned. When we speak about the necessity for integration in Europe and its impact upon the stability of the region, this must be understood primarily as concrete forms of political integration. As a matter of fact, what is often being articulated (even in the activities of the Stability Pact) is mainly economic cooperation. Prior to achieving economies of scale in the region, we should develop the politics of scale. Regardless of how far commercial cooperation intensifies, it is hard to believe that this would automatically lead to a spillover into political partnership. In fact this indicates an exaggerated estimation of the effects that an intensification and liberalisation of trade relations with the EU would produce in the economic recovery of the region. In any case, regardless of how intensive the trade exchanges with the EU become, they could not address the structural problems of Balkan economies.

It is difficult to believe that regional integration can be substantial when lacking institutionalised and appropriate instruments. This is precisely the crucial problem for the evolution of the process. While willing to renounce bits of sovereignty to Brussels, regional governments remain sceptical and even hostile towards the existence of regional organisations and authorities, even in the form of a simple regional trade organisation (as proposed by the EU Commission in August 1999). In this context, the only acceptable integration pattern for the region would be a pan-European structure, meaning Balkan countries plus West European countries. This fact may lead us to engage in concrete thinking about the most appropriate type and status of a cooperation structure to serve during the period that precedes the full membership of Balkan countries in the EU and other Euro-Atlantic structures.

The integrating structures in our region should ensure partnership not simply among regional countries but also between them and the EU (the WEU could act as a model). The tables and sub-structures of the Stability Pact are still formed according to a donor-beneficiary relationship rather than as a real partnership. A narrowing of sovereignty, as the underlying rationale of any regional integration, does not necessarily result in the parallel erosion of national sovereign states as a source of collective identity. On the contrary, these nation states should continue strengthening their institutional capabilities, since they will be the major actors of this integration process.