

*REGIONAL CO-OPERATION  
AND*

*STRENGTHENING STABILITY  
IN  
SOUTHEAST EUROPE*

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## INTRODUCTION

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The difficulty of setting the precise physical boundaries of Southeast Europe — a fairly recent entity in political and geographical terms — cannot be dismissed out of hand by saying that the boundaries of any supranational region are most often than not an ‘acquired’ notion. The fact is that the term’s increasing currency reflects a distinct claim to historical promise, and its uneasy co-existence with ‘*the Balkans*’ — that deeply rooted traditional label — is more than a matter of passing fashions in political phraseology. The difficulty then, is that of being an historical optimist. The sad truth is that today, as so many times before, the Region has two faces and the optimist should not hasten to draw the line between them, lest it be the wrong line, drawn too soon and beyond redress. Moreover, that brave new notion itself is not unqualified, and variations, such as ‘*post-Dayton Southeast Europe*’ or ‘*pre-Kosovo Southeast Europe*’ are rather a cause for concern than premature celebration.

One thing is certain: despite the many unresolved issues surrounding the peace process in former Yugoslavia, the situation in the Region has acquired entirely new dimensions. These stem both from the increased number of national states in Southeast Europe — emerging democracies most of them, and from the unprecedented developments in international politics, which reached a high point of intensity during the last 18 months. Therefore, a broader perspective is in order, focusing in particular on the impact that the existing geopolitical framework might have on the long-term development tendencies in the Region.

The purpose of this paper is to discuss the potential for regional co-operation in Southeast Europe as a factor of stability in the light of the new concepts of ‘stability’ and ‘security’. At the root of these new concepts, from which another one has sprouted, that of ‘common security’ based on stronger co-operation and the balance of interests in the name of mutual security guarantees, is the growing significance of non-military factors (political, economic, social, environmental) and the newly-acquired high profile of international relations and entities, bilateral and multilateral.

It is on this plane of analysis that the discussion of regional issues in Southeast Europe must come to grips with a pronounced specificity: the old lines of division between countries in the Region (the divergent interpretations of historical events and minority concerns), the new threats of economic backwardness and domestic political instability, and the resulting social tensions and organised crime. Against this tantalisingly complex backdrop, the very essence of regional co-operation is

bound to come under painstaking scrutiny, with pragmatics ranging from a peaceful development alternative for the Region, overshadowed by the recurring threat of a major armed conflict, to a factor of prosperity for 'the rest of Europe' with its active role in global affairs.

The discussion of regional co-operation in Southeast Europe cannot do without an evaluation of the nature and prospects of the existing regional organisations and initiatives. The focus here would be on their respective problem areas and the motivations of the countries involved. On the other hand, while the growth of separate initiatives and relationships is an indicator, above all, of their own respective merit, the emerging multilateral Balkan co-operation contemplates that superior threshold of resolve and unity at which the countries of Southeast Europe would live up to their declared political will of playing a greater role themselves in resolving the Region's problems and ensuring, in particular, its stability and security. That being said, the question is when, rather than if, Southeast Europe will be able to implement its regional strategy.

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## **A (GEO)HISTORICAL DIGRESSION**

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On the eve of the 21<sup>st</sup> century, the scholars who believed in the systemic approach proposed the theory of historical methods being superseded in the course of the system's own evolution. While no special theory appeared in anticipation of today's unipolar world, the systemic approach to the future of communities and states will certainly continue to find justification in its tendency of reaching out for the world's next projection by an insistent search for 'conflict interactions' within each new reality.

Despite their avowed untraditionality, the new generation of geo-politicians have remained faithful to the customary methods of interpreting international relations in terms such as 'superpowers' and 'spheres of influence'. For his part, Zbigniew Brzezinski has argued that geopolitical visions, rather than ideological doctrines, shape the policies of the so called 'superpowers', and other theoreticians have qualified that statement further, claiming that in the post-Cold War era, the key to a nation's foreign policy is its trade balance, rather than its geography, ideology or cultural identity.

- ☞ Global political forecasts for the coming decades feature the premonition of a new superpower (Russia, China or Japan), the consequent disintegration of the instruments of international pressure, and the all too well known rivalry among several nations each of which would have the final say on developments in Southwest Asia, rich in oil and gas deposits and residing in a perpetual power vacuum.
  
- ☞ What is common among these prophecies is their particular approach to the selection of possible conflict interactions, each of which might prevail however 'inappropriate' the historical moment. Still, an unbiased look at today's realities reveals that the old uncertainty under the ideological shadow of the nuclear threat has been replaced by a new one where threats are measured in trends rather than tanks.

Against this latter uncertainty, the international community is raising the concept of comprehensive security. A main pillar of this concept is the understanding of security as a multiplicity of issues, the central one being that of the state of nations and societies.

Another aspect of the security model is the further development of the collaboration between the international institutions as constructive multilateral fora, and the creation of sustainable structures for regional co-operation ensuring their me-

bers' participation in a process of organised change. Essentially, the drive is toward the establishment and maintenance of institutions and procedures capable of supporting the implementation of strategic socio-economic changes.

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### AN INSIDE LOO

The view that the collapse of Communism would be hardest felt in Europe has been proven at least by the fact that the need for a change of direction in its Western, as well as its Eastern part, is no longer questioned. However, the proposed enlargement over the rest of the Continent of the two most successful and promising international institutions, i.e., the European Union and NATO, — referred to as 'structures of order' — is by far more complex than the set of problems relating to their respective internal re-adjustment and adaptation. It bears above all upon the reappraisal of some of the main factors of their future:

- ① The first set of issues is about *the role and future of the Transatlantic link*, which has ensured the prosperity and stability of Europe's Western part since the devastation of the World War Two.

The proposition that, today, *America is at the centre of the new world order* (Madeleine .Albright before the New Atlantic Conference, February 1998) derives from the might of a single nation making a global security commitment by the proliferation of its cultural and economic model as a basis of that new order. While the US is the only power capable of crisis management in the name of preserving the hard-won peace after the Cold War period, its ex-territorial jurisdiction is increasingly becoming a contentious issue in Europe. Reaffirming that NATO is the US and the US is NATO, the European Union is already speaking of 'non-balanced relations' between America and Europe.

- ☞ A more essential question mark hangs over America's approach to the establishment of those *strong, dynamic, stable and secure links* between *the centre* and *the various regions*, and of that *global economic system working for the United States* (Madeleine .Albright, before the US Senate, January 1997) which lie at the basis of the American vision of the world. The approach can vary between the ambition of addressing each and every emerging insecurity and a much narrower selective commitment. The answer to that, and the question about NATO's future and the United States' unique institutional presence in European politics, will depend on the de

velopment of some strategic American interests on the eve of the 21<sup>st</sup> century.

- ② The second problem area centres on the *sustainability of the economic, legal, and above all, financial and fiscal integration within the European Union*, and the feasibility of imparting its character *sui generis* upon the entire Continent.

The internal issues facing the European Union, which seems to be the dominant model for the future, are more than just institutional. The belief, proposed by some quarters, that the Union needs a crisis — genuine or artificially induced — draws inspiration primarily from the fact that today's European market economy is much more about social policy than market forces. United Europe has taken much too long in implementing the necessary structural changes in the administration and the economy of Member States, rendered inevitable by the forthcoming introduction of single currency, just because it has failed to launch drastic measures against subsidies, the dos and don'ts of Brussels, fixed prices and fixed wages, limited competition and manipulated markets. The move declared in Luxembourg to involve 'the rest of Europe' has but added an imbalance, evident in the grouping of post-communist countries into 'waves' and the active effort being made to prevent the 'export of instability' from Eastern Europe. The Union has therefore done little to dispel the misgivings that its vision is not farther sighted than that of ensuring, in one way or another, the perpetuation of the welfare state and deriving maximum benefit for itself from trade with the rest of the world.

☞ The question is about the substantive outcome of the current efforts to resolve these problems: will it take the European Union any closer to its founders' cherished dream of a comprehensive political community? So far, we have seen but approaches to a common foreign policy, the commitment made to the Central and East European countries (CEECs), and the 'toothless animal' called WEU. Side by side, or down below rather, is the European citizen sitting on the horns of national versus supranational and increasingly oblivious of the 'Europe-speaking-with-a-single-voice' ideal. 'The East' on the other hand, is something the 'EU citizen' finds hard to comprehend: why indeed the 'non-EU citizen' would stick so stubbornly to his identity is still a puzzle to the rest of Europe.

- ③ The third tangle of questions is about the *Russia's uncertain and unpredictable evolution*, who is already preparing for a comeback on the international scene, while pursuing the so called 'realpolitik'.

Developments in Russia are still raising concern, even though its participation into entities such as NATO has done a lot by way of recognising its role in the all-European political process, and a similar token of appeasement has been its (somewhat honorary) membership of G8. Among the causes for concern are Russia's inconsistent and at times chaotic economic policies, the slow pace of reform, and the signs of an emerging oligarchy. In the end, these are raising doubts about the institutionalisation of democracy, the task which appeared to be the very essence of Yeltsin's historic mission. The present paradox is that the President's last resort in his efforts to accomplish that task is the all too familiar lapse into the Russian imperial tradition.

☞ When it comes to Russia, the most relevant question is how its economic and financial insufficiency (despite the availability of basic assets) will affect the process of reform and its strategy of 'expansion of resources'. A year ago, former US Defence Secretary Caspar Weinberger warned that if Russia were to win the battle over the Caspian oil, that might turn out a victory more important than the West's success in the enlargement of NATO. In March 1998, Russia, as an emerging diplomatic power, initiated the dialogue with Kohl and Chirac which gave birth to a new 'troika' and a new vision of Europe's easternmost limit — the vision of Greater Europe based on the intellectual and industrial capabilities of the Old one plus Russia's potential and resources, with specific infrastructure and market dimensions.

The intrinsic logic of the factors that will most likely bear on the future of Europe, and the apparent conflict interactions in the course of their evolution, relate them to a broader aspect: the fall of the Berlin Wall encouraged expectations in Central and Eastern Europe of no less than the political, economic and social harmonisation of the entire Continent. But while the progress made by the Visegrad Group came as a natural proof of their 'European identity', the subsequent events in the south-eastern part of Europe — once aptly referred to as '[its] soft underbelly' — pointed in a totally different direction.



## THE BALKANS BETWEEN HISTORY AND POLITICS

Giving us that simile, Winston Churchill would hardly have meant the Balkans' pregnancy with the fruits of too much history, while in support of the latter, it would be sufficient to note the currency of four alphabets in the Region most of which originated here before spreading over the rest of Europe.

At present, what may be termed the 'civilisational indefiniteness' of the Balkans poses several problems:

- ① Priority Number One is *the need to stabilise the national factor, which is politically heterogeneous and, therefore, volatile.*

One of the keys to understanding Balkan complexities is the late formation of nation-states — a delay of almost a century compared with Western Europe. None of the Balkan ethnic groups has been entirely successful in completing the process, wherefore the very meaning of the term 'nation-state' is different from that in the West, where integration has been described as 'the rescue of the nation-state'. The peaceful revolutions of the 1990s brought to life that hidden tension which we now see take the form of regional conflict and minority problems. For their part, these problems carry a vast range of political and cultural aspects, and for them to be safely buried in the past, history should be re-read in a spirit of greater tolerance and civil society, meaning the respect of human rights and freedoms, should prevail throughout the Region.

Another explanation of the Balkans' political diversity is the existence within it, as a consequence of its belated historical evolution, of a variety of country types<sup>1</sup>, which naturally translates into a variety of domestic political issues and levels of democracy. The common denominator seems to be the precariousness of progress toward political reform and, then, the excessive emphasis on the political aspects of the transition, which goes far beyond the immediate impact on the timing and sequencing of reform. Thus, the overall political instability of the Balkans presents, in some cases, a threat of 'sun-setting' democracy under the rising star of oligarchy or authoritarianism.

- ② The second set of problems stems from *the economic backwardness of the Region*, which directly reflects on its development both internally and on the broader European level.

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<sup>1</sup> Newly-created states after the collapse of former Yugoslavia; emerging pluralist democracies — the so called 'transition countries'; states of uncertain political and diplomatic status; countries recovering from recent armed conflicts; an EU Member-State, and countries of associated EU status.

Indeed, the Balkans' political instability is an expression of overall economic backwardness; and one traditional Balkan saying goes: 'poverty is depravity'. Thus, while economic stability in the Region would ensure high national growth rates, it would also contribute to the alleviation of broad social and interethnic tensions.

There are however two extremely adverse phenomena in Southeast Europe. One is the absence of identical macro-stabilisation conditions, made worse by the distinct idiosyncrasy of national approaches to economic reform. The other are the attempts in a number of countries at pursuing a smoother, evolutionary transition, which actually means a rather half-hearted attitude to the market model of socio-economic development. The quest for the right 'growth model' cannot be taken in isolation from the riddle of converting the planned-economy legacy into a market; while the path is being groped for, however, some countries have been left with no alternative but the introduction of an economic austerity regime.

- ③ Last but, sadly, not least, there are *the persistent regional conflicts*, which tarnish the Region's image and jeopardise the West European integration concept.

The crisis in former Yugoslavia has had a devastating effect in more than one sense — it has done everything to reinforce the traditional perception of Southeast Europe as a region of instability. The key factors of influence approached the Region mainly from the perspective of their standing crisis-management policies, which meant that the military presence and the related political measures overshadowed the economic and social aspects of involving the new Balkan democracies in the all-European integration process.

This largely amounted to applying a smallest common denominator across the board of widely varying national achievements in democracy. For one thing, countries that were not immediately concerned in the conflict got a low political and financial rating for reasons beyond their control. That, despite their considerable contribution to the international peacemaking effort, meant such countries' *de facto* isolation from constructive developments in the West, beyond the conflict-ridden territories. Added to problems of perception were the concrete economic sanctions against former Yugoslavia, which blocked physical access to trade routes and contributed to a wave of economic crime of far-reaching consequences. Thus, trying to be part of the solution has proved easier said than done and that, for once, has not been the fault of those who have tried.

The 'Balkanising' effect of the Yugoslav crisis created a conceptual void in the West's strategy for the Region, which precluded the long-term foreign investment as a development option. The West determined its priorities in Central and Eastern Europe within the constraints of its own capabilities and, therefore, focused primarily on the Visegrad Group. Russia, on the other hand, regarding the Region as its traditional area of interests and influence, while adopting a similar approach, did not sever relations with it (focusing particularly on Belgrade) and pursued its energy strategy, anxious to avoid any disruption of flows to or through the Balkans.

The Dayton peace revived the hopes for prosperity until the setback in Albania gave new arguments for a continued, albeit limited, military, conflict-resolution approach on the basis of *first* strengthening the national armed forces and law-enforcement authorities, establishing internal security, and *then* efforts at economic normalisation. In short, the old formula came to into play again of 'encapsulating' the conflict within its geographical boundaries.

For its part, the situation in Bulgaria suggested that the consequences of the delayed transition would take long to overcome and gave force to the argument that investment in the Region's security could not have a direct positive effect if unsupported by real investment for economic and social development. The West's new approach to the Region since the beginning of 1997 has reflected the concept of strengthening the pivots of security in the Balkans and has practically meant relating the West's economic interests in the East to the development of an economic strategy for the Region pursuing prosperity and the irreversibility of a consensus-based orientation toward united Europe.

The newly defined concept had been so long coming, however, and the expectations hinged on it so desperate, that the countries in the Region, in full oblivion of some unavoidable geopolitical considerations, could not but feel disappointed with its immediate results. The decision by NATO to enlarge with three Central European countries, excluding others like Slovenia and, especially, Romania, was interpreted in the Region as a clear signal of those expectations being rather premature and those countries, rather second-rate. The impression of newly-emerging divides and the currency in domestic politics of the 'Yalta/Malta' discourse were further enhanced by the fact that developments within NATO in particular had always been regarded by the East Europeans as a reflection of the West's readiness to commit itself politically to emerging strategic interests.

Then came the EU Luxembourg Summit of December 1997, bringing an appropriate remedy to that situation in the form of the associated countries' 'main investor', which, given the above context, was synonymous with political patronage. On the other hand, the fact that Turkey was kept out of the fold was interpreted as a cloud over the Atlantic partnership, and due significance should be attributed to the recent active efforts by some Western diplomacies to lend practical dimensions to the idea of drawing the EU border with Russia and the East along the Black Sea coast.

What has remained out of the limelight at Madrid and Luxembourg is that NATO's enlargement in Southeast Europe will depend not only on the future concept of the Transatlantic link but on the state of the Region itself, where the withdrawal of American forces would make of those countries full-fledged US allies. The latest developments in Kosovo — yet another proof that the borders in the Balkans, so hopelessly wrong, had better been rendered meaningless than fought over — seem to require a further clarification of the European security parameters within a longer-term perspective and setting the limits of the Madrid compromise.

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One of today's challenges before the countries of Southeast Europe is to try and avoid being engulfed by the spiral of misconstrued arguments over history and the conflicting interests of many an outsider which have traditionally focused on the Region. If on the eve of the new millennium those countries have finally gained sovereignty and dignity, they should also be clear about what they would want to gain and what they would be ready to concede.

☞ This is in fact a message to the political elites in the Region; they should jointly rewrite their history and inscribe their relations within a new common security concept on the basis of economic prosperity and the balance of all interests. For Southeast Europe this would amount to a realisation of the advantages to be gained by regional co-operation in the name of lasting peace, a better use of the Region's geopolitical potential, and the promotion of regional integration as a necessary facet of the general integration process in Europe.

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## REGIONAL INITIATIVES: AN OVERVIEW

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The appearance in the late 80s/early 90s of regional (also known as 'sub-regional') organisations had a clearly pronounced historical motivation. It came with the end of the Cold War and the resulting opportunities for co-operation among the countries from the two former blocs on the basis of freedom of choice and equality. At the root of the co-operation in the framework of those initiatives was the concept of strengthening internal stability and security, and the creation at the national level of a better political, economic and social environment for development and the protection of 'internal borders' by reliance on good neighbourly relations.

At the same time, however, one of the objectives of those fundamentally economic initiatives was to fill the vacuum left by the collapse of the communist political and economic structure, and equip the new democracies with the means, however limited, of consolidating their newly-acquired independence. From an East European perspective, those developments were the product of released energies and the drive toward a Western-style integration concept.

### *The Role and Character of Regional Initiatives*

The 1989—1993 period saw several regional initiatives being launched, involving CEECs and a broadly diverse range of EU, WEU or NATO members and some neutral states. Each initiative had a specific character and varying chances of success, but in all cases, their emergence evidenced the potential for co-operation in all European regions and the willingness of the countries to make use of it. Some of the new entities were geographically defined, e.g., the Baltic Sea Region; others expanded beyond their early boundaries, e.g., the Central European Initiative (CEI), the Central European Free Trade Association (CEFTA), the Black Sea Economic Co-operation (BSEC); still others, like the Visegrad Group, gradually lost their momentum.

The main challenge for all of them was their positioning within the overall integration process, i.e., vis-à-vis the European Union and NATO. This is also the context within which their subsequent institutionalisation should be discussed. Essentially, it was a strategic breakthrough as it upgraded the early initiatives to a level of integration which entailed definite political commitments. That was also the reason why some reservations toward them came to be voiced eventually as the participation of certain countries in them was assessed in the light of a possible *en bloc* accession to EU and NATO. Another cause for disenchantment was the absence of adequate resources to cover in parallel both the sub-regional and the

Euro-Atlantic integration issues. A case in point, illustrating such psychological handicaps, is BSEC, within which a number of countries insist on the purely economic dimension, while the organisation even has a parliamentary institution.

☞ Despite the various qualifications, the positive role of the regional initiatives should be seen in the establishment or re-establishment of a number of political, economic, social, and humanitarian contacts, and their development into a flexible network of channels and mechanisms, which is essentially a contribution to the strengthening of a number of security aspects in the area of so called 'soft' boundaries. Their second merit is that for CEECs they have become the prototype of new behaviour patterns within groups of interdependence, building upon shared interests and the respect of sovereignty. Thus, the experience in communication and the development of common approaches gained within the sub-regional co-operation area has accumulated the necessary political and cultural capabilities for an adequate involvement in the activities of the large international organisations.

#### *The Involvement of South-East European Countries in Regional Initiatives*

Due to the conflict in former Yugoslavia, the Balkans were the only region in Central and Eastern Europe which failed to become fully involved in any of the new mechanisms. This is one of the reasons why the countries of Southeast Europe are still rather limited in their capacity for such relations. Another reason is that the tensions between countries in the Region that belong to the same integration structures of Western democracies have contributed to political heterogeneity which, in turn, has compounded the largely unfavourable external environment.

In all fairness, as main proponents of the 'Balkan dimension' within the European Union (and NATO respectively), Greece and Turkey are limited in their capacity of promoting a strong regional approach by these organisations. However, the problem is made worse by the fact that each of the two countries usually seeks additional regional support for its narrow agenda, prepared to barter that for its support when it comes to the former communist countries' integration into European and Euro-Atlantic structures. While such policies are fully justifiable on some counts, they also unwittingly foster undesirable reflexes which, as a rule, play to the detriment of good neighbourly relations. The end result is the unwillingness to discuss the existing political problems which sooner or later imposes the reliance on alternative resolution methods within so called 'groupings'. In the aftermath of the war in Yugoslavia, such flexible forms of discussion have opened up for a broader range of issues, from economic to political.

### *Post-Dayton Regional Initiatives in Southeast Europe*

The peace accords on Bosnia and Herzegovina resulted in new conditions and factors in Southeast Europe for the development of several parallel international initiatives aimed at promoting a broad regional approach. Broadly speaking, these stemmed from the international community's stronger commitment and attention to the Region, helped along by the countries' steady orientation to Western-type market economic and pluralist political systems. In practical terms, this created room for regional initiatives aimed at promoting the Region's interests, together with the right culture and behaviour conducive to the medium to long-term prospects of the various countries for approximation to, and integration into, the European Union and NATO. The Meeting in Sofia (6-7 July 1996) was a direct expression of that concept and marked the beginning of the substantive process of multilateral Balkan co-operation by adopting the Declaration of Good Neighbourliness, Stability, Security and Co-operation in the Balkans. On the other hand, the EU and US commitment to the development of some regional co-operation processes in Southeast Europe led to two extremely important and credible initiatives, i.e., the Roy-aumont Process, started by the European Union, and the South-East European Co-operative Initiative (SECI) undertaken by the United States.

☞ Compared with other Central and East European initiatives, these two stand out not only in terms of their respective timeframes. The initiatives undertaken in/for Southeast Europe have a special character, being strictly limited in their sets of substantive instruments and focused on political measures as a means of capacity-building within the Region itself. This, in turn, is a direct reflection of the differences of approach to the various regions, which, in the case of Southeast Europe, addresses the consequences of the Yugoslav conflict and seeks a new basis for co-operation in the pro-European orientation of the countries concerned. (Two points are especially relevant: the main idea of the Stability Pact and the requirement that the associated countries should settle their bilateral relations, and EU's experience with the Greek position on the customs union with Turkey.) The philosophy of the post-Dayton dialogue derives from the visibly slow progress, due to various reasons, made by the former communist countries of the Region in the process of market reform and European and Euro-Atlantic integration by comparison with others elsewhere in the Continent.

The viability of the South-East European initiatives will depend both on the behaviour of the countries concerned and on their prospects of eventually transcending, with the help of the main external factors, the functions of post-conflict regulation into a basis for the normalisation of the Region's socio-economic cycle and its ad-

aptation to the requirements of integrated Europe. This path is certainly not going to be a short one, due to a host of political problems in some of the former Yugoslav republics. One positive circumstance in this respect is that those countries more advanced in the integration dialogue are openly concerned about the success of the initiatives and do not regard the others as mere dead-weight. The view that membership of the Euro-Atlantic organisations is incompatible with pending sub-regional problems is shared by many in the Region. The intention is also manifest of conducting preventive policies with respect to possible disruptions of international initiatives that might jeopardise their effectiveness.



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## ***INTERREGIONAL CO-OPERATION WITHIN CEI AND BSEC***

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First and foremost, the co-operation among the countries of Southeast Europe should be examined within the framework of the structured forms of regional integration, such as the Central European Initiative and the Black Sea Economic Co-operation. In their essence, these initiatives encompass co-operation in various spheres of mutual interest and Southeast Europe is of key importance for the implementation of a number of projects due to its location as the linking unit in the East-West direction between the regions covered by CEI and BSEC respectively.

### ***THE CENTRAL EUROPEAN INITIATIVE***

CEI was established by four countries in the Adriatic and Danubian region (Italy, Hungary, Austria and the SFR of Yugoslavia) in 1989. Today, it is the largest regional group with its substantial territory and population over 200 million. Its members are 16 countries, out of which two are EU Member States (Italy and Austria), seven countries are associated members of the EU (Bulgaria, the Czech Republic, Poland, Hungary, Romania, Slovakia and Slovenia), five countries have various contractual arrangements with the EU (Albania, Macedonia, Byelarus, Moldova and Ukraine), and two countries have no agreements with the European Union (Bosnia and Herzegovina and Croatia).

#### ***Overview***

Initially, the main objective of CEI was to assist in overcoming the immediate consequences of the Cold War and specifically, in eliminating the previous political and ideological division lines. CEI has undergone substantial evolution over the years, while adjusting to the developments in Europe and its geographic and political area. Today, it fulfils the role of a mechanism promoting the stability and economic development of the region and the integration of its member countries in the European structures.

Being an instrument for wide regional co-operation, CEI covers the political, cultural and economic spheres. Its activities include a number of sectors: economic and technical co-operation; agriculture; development of the infrastructure in transport, energy and telecommunications; strengthening of democratic institutions and observance of human rights; protection of the environment; co-operation in the field of mass media, culture, education and training, youth exchanges and tourism; migration and combat against crime; protection of minorities.

- ☞ The mechanisms of CEI, some of its structures and its parlance come close to those of the European Union in many aspects. Its fora (annual meetings of Prime Ministers and Ministers of Foreign Affairs, meetings of the Committee of National Co-ordinators, meetings of working groups, parliamentary meetings, association of Chambers of Commerce and Industry) provide opportunities for co-operation with a big number of countries, including EU Member States.
  
- ☞ The initiative has not been institutionalised. A step in that direction was the establishment of the Information and Documentation Centre in Trieste in 1996. CEI has no budget and secretariat. At the same time, its structures with their consultative nature seek not only the political aspects but also operational solutions of some economic and other issues. Since 1993, CEI Secretariat at the European Bank for Reconstruction and Development has been in operation to assist the co-ordination and implementation of projects related to the regional and cross-border co-operation in Central Europe.

#### *Hierarchy and Mechanisms of the Relations with the Other European and Regional Structures*

- ① The common objectives and interests of the countries in the region with respect to the integration in the European structures determine the priority attached to the relations with the European Union. CEI supplements the structured dialogue of the EU with the associated countries and also serves as the platform for developing and co-ordinating common positions or undertaking common action, where this is possible. In pursuance of the conclusions of the Florence European Council, the European Commission presented a report on the co-operation of the EU with CEI. The meeting of the political directors of CEI, held in Rome in October 1996, discussed the relations, needs and opportunities for strengthening the co-operation with the European Union.
  
- ☞ Meetings of the Council of National Co-ordinators of CEI and representatives of the European Commission have been held on issues of common interest since the beginning of 1996. They lay the emphasis on the improved exchange of information and the interaction in the implementation of joint projects, mainly in the sphere of transport, the environment, small and medium-size enterprises, training, cross-border co-operation. The range of topics includes also the encouragement of democracy and stability in the region and issues pertaining to the “second” and “third” pillar of the European Union;

- ☞ The main financial instruments for the co-operation between the European Commission and CEI are the PHARE, TACIS and INTERREG Programmes. The funds provided by the European Union serve as an additional source for financing projects of CEI Member States. The idea is to avoid duplication or deviation of sources from existing projects of the Community in the region. The operational CEI Secretariat at the EBRD is to play an important role in this respect.
- ② The Council of Europe is always invited to take part in the major fora of CEI. The co-operation between the two institutions is particularly useful with respect to minority issues. The Council of Europe is regularly represented at the meetings and workshops of CEI working group on minorities.
- ③ The co-operation between CEI and the Organisation for Security and Co-operation in Europe (OSCE) started in September 1996 with the sending of CEI observers to the general elections in Bosnia and Herzegovina. CEI had its observers at the elections in Albania in June 1997.
- ④ In accordance with the decisions of the Seventh Meeting of the Ministers of Foreign Affairs of BSEC Participating Countries (Bucharest, 27 April 1996) and the Meeting of the Ministers of Foreign Affairs of CEI (Vienna, 1 June 1996), the Conference of the Ministers of Transport of BSEC and CEI countries took place in Sofia in November 1996.
- ☞ Consequently, CEI prepared a comprehensive vision on the more active co-operation with other regional structures. As a result of that new policy, a meeting was held with representatives of BSEC and the Baltic Council in Trieste on 18 April 1997. There was expressed the mutual interest in the future co-operation in the development of the transport infrastructure, the building of the new European security architecture, the combat against organised crime, the co-operation in the forecasting, prevention and overcoming of natural and man-made disasters, the support for small and medium-size enterprises and the introduction of a market mechanism for agricultural products, the co-operation in the field of culture, education and technologies, etc.

#### *Comparative Advantages of the CEI*

- ① The main advantage of CEI relates to its non-institutional nature, creating opportunities for a flexible and pragmatic co-operation among the countries in the region. CEI does not replace other bilateral or multilateral channels of co-

operation and it does not affect the commitments of the participating countries under various international agreements. The member countries take part in the projects, depending on their interest, and the decisions are not legally binding.

- ② CEI creates conditions for better knowing each other and a climate of understanding for the discussion, planning, financing and implementation of projects and transregional programmes. One of its salient features is that CEI is the only international structure which brings together EU Member States, associated members and non-associated countries, thus creating opportunities for a broad dialogue and search for common positions on a number of important European issues.
- ③ CEI is a group for international prestige (especially for the EU Member States - Italy and Austria) and it has a definite positive impact on the international identity of the participating countries. The Initiative renders greater political weight in the search for financial support by the international financial institutions.

#### *Functional Constraints of the CEI*

- ① Paradoxical as it may seem, the features which determine the advantages of CEI, at the same time, underlie its weaknesses. The absence of a standing coordinating body and a budget create problems in its activities. The functions of a secretariat are partially performed by CEI Information and Documentation Centre in Trieste but its normal operation is put to question due to the need for financial support by all member countries, which was not envisaged at the time of its establishment.
- ② The divergent interests of the member countries on a number of international issues make it difficult to prepare a common political and economic strategy of CEI and to adopt a common approach. The elaboration of such a strategy is turning into a challenge of high priority for its further development.
- ③ The limited potential of CEI is due to its nature of "an initiative" without operational opportunities and finance to assist the implementation of projects in the participating countries. This is the reason for the scepticism of other organisations, including the European Commission, with respect to the capabilities of CEI.
- ④ Like the other regional initiatives, CEI is faced with the problem of identifying its proper place and role in the great diversity of structures and initiatives of

European and regional nature in order to avoid duplication, to interact and seek mutually complementary action with them.

### *THE BLACK SEA ECONOMIC CO-OPERATION*

When the potential of the Black Sea Economic Co-operation and its place in the processes of promoting good neighbourliness, security and co-operation in South-east Europe are assessed, one should take into consideration the wide geographic scope of the initiative, including countries in other geographic sub-regions, and the substantial diversity of its participants in terms of their level of development and foreign political orientation, as well as the fact that not all of them see their future necessarily as members of the European Union. The evaluation of BSEC potential to link regions should take into account its pronounced economic orientation.

#### *Origins*

The initiative dates back to 1991. It came from the Turkish political circles and, at that time, it was also a projection of Turkey's role, long appreciated by the United States, in changing the geopolitical orientation of the Black sea countries and creating an "Eastern" analogue to the European integration process. Turkey launched the idea of Black Sea economic co-operation in its willingness to use its dominant position in the region after the disintegration of the Warsaw Pact and especially after the collapse of the Soviet Union for economic and political dividends. An important motivation was also Turkey's renewed interest in the Caucasus and Central Asia after the disintegration of the USSR. Russia, on its part, supported the initiative as a means of maintaining its influence on countries in the post-Soviet space.

Some countries (mainly Bulgaria and Romania), guided by their striving for faster integration in the European structures, initially had many reservations with respect to the idea because they were afraid that BSEC would slow down their movement to the EU. Later on, they accepted the idea for co-operation in that format but they expressed doubts as to the idea of making BSEC a body under international law.

☞ In the beginning, in the context of the complicated problems in the bilateral relations between some would-be participating states (e.g. the armed conflict between Armenia and Azerbaijan) the idea was to have a form of purely economic and non-binding nature. That approach created opportunities for making joint efforts to assist the transition to a market economy in some Black Sea countries and to improve the standards of living of their population, while avoiding the exacerbation of relations between some countries.

## *Overview*

Formally, BSEC was established with the signing of BSEC Declaration in Istanbul by the Heads of State of Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine on 12 July 1992. The Declaration spelled out the willingness of the Participating States to use all means and opportunities for broader co-operation, observing the principles of the Helsinki Final Act and the subsequent OSCE decisions, while abiding by the universally recognised principles of international law. It identified the main guidelines for economic co-operation and enumerated specific opportunities for co-operation in the transport infrastructure, telecommunications, statistical data, standardisation and metrology, energy, tourism, agriculture, etc.

☞ BSEC has been institutionalised. The leading body is the Assembly of Foreign Ministers and the Chairmanship-in-Office is based on rotation (in six months). Summit Meetings are also organised without any specific interval between them (Istanbul, June 1992; Bucharest, June 1995; Moscow, October 1996; Ukraine, June 1998). Since the end of 1995, BSEC has been organising regular meetings of the “Troika” (the former, current and future chairpersons-in-office) and the Group of Senior Officials. The permanent secretariat of the organisation has been operational in Istanbul since the beginning of 1994.

The dynamism of BSEC is reflected also in such non-governmental forms as the Parliamentary Assembly of the Black Sea States, the Black Sea Economic Co-operation Council, which is a forum of business circles and the private sector (with observer status), or the International Black Sea Foundation, whose future admission with an observer status is viewed positively and is a matter of time.

Standing institutions within the framework of BSEC are the following specialised centres: the Black Sea Co-ordination Centre for Statistical Data and Economic Co-operation in Ankara, the Balkan Centre for SME in Bucharest and the Black Sea Energy Centre in Sofia. The International Centre for Black Sea Studies has been established in Athens at a decision of the Eighth Meeting of BSEC Participating States and with the financial support of the European Union.

BSEC has a well developed network of meetings, seminars and working groups. Due to the strong differentiation in the level of economic development of the Participating States, such events encourage the aspirations of some of them to integrate in the global trade and financial system. They also give a clearer idea of their future commitments to undertaking stabilisation measures in the field of cross-

border co-operation, and the combat against corruption, crime and drug trafficking.

### *Comparative Advantages of the BSEC*

Notwithstanding some apprehensions with regard to the origin and political motivation of certain countries in launching the idea of BSEC, which some participating states continue to deem valid, the initiative has its comparative advantages.

- ① The major positive element of co-operation is its flexibility and self-determination (at certain stages of its development) as “an open system”. Traditionally, although not mandatory, decisions are made by consensus and they are not legally binding or imperative, unless indicated otherwise.
- ② The idea of BSEC as “an open system” implies opportunities for accession by other countries interested in its activities. The process, however, has not developed any further, in the context of the desire to avoid additional factors that are considered to be destabilising, such as the possible participation of countries in former Yugoslavia or Cyprus. The Eighth and Ninth Meetings of the Foreign Ministers (Moscow, 24 October 1996 and Istanbul, 25 April 1997) indicated that the consequences from the admission of new members at the time of changes and institutional development of the initiative itself would be difficult to predict.

### *Functional Constraints of the BSEC*

- ① BSEC does not represent a homogeneous group of countries with independent and equivalent financial capabilities to support the initiative. The impact of this factor can be assessed against the background of the long delayed opening of the Black Sea Trade and Development Bank, which would enable all Participating States to implement the infrastructure and telecommunication projects that were planned quite some time ago. The social and cultural differences between the various Participating States and the level of their political and financial stability are constraints for the activities. The success of the four-year-long efforts of BSEC is related mainly to its institutionalisation rather than any achievements in specific projects that could give tangible contribution to the development of the region.
- ② The lack of clear preparedness to finance prospective infrastructure projects on part of international financial institutions or the European Union, as well as the existence of the more or less parallel and financially secured initiatives (the

initiative for small and medium-size enterprises in Southeast Europe, the Action Plan for Protection of the Black Sea within the framework of the Convention on the Protection of the Black Sea, etc.) shift the emphasis of co-operation. It becomes the arena for development and implementation of nationally or i-ented strategies of some countries. For example, some Participating States in BSEC try to use the forum for strengthening the position of resource or financial dependence of other countries, such as the Memorandum for Co-operation in the Energy Sector signed under the pressure of Russia.

- ③ It is sometimes believed that the approach, which presupposes pragmatic analysis of proposed joint projects, is often transformed into geopolitical populism aimed at the attainment of short-term objectives. As a matter of fact, the shape of BSEC as a flexible structure is undergoing changes under the pressure of Participating States which are interested in the development of a legally binding framework of the existing imbalance in the initiative rather than as a result of awareness of the need for changes.
- ④ The different views of external observers on the essence and relations within BSEC are displayed in the weak interest in the initiative or, conversely, in a simplified approach to its problems. The latter case tends to underestimate the role of the political element and the politicising of the economy (rather than economising politics) in the structure of BSEC. Besides, some countries try to impose the view of BSEC as an alternative to the efforts to join certain international organisations and structures or as an attempt at shifting the emphasis to BSEC transregional potential rather than its linkage with Europe.

#### *The Transformation of BSEC into an Organisation and Its Prospects*

- ☞ The effect of the polarisation and politicising of BSEC is hard to predict. On the one hand, this will inevitably multiply the spheres of overlapping with other initiatives for security and co-operation in Southeast Europe. It is possible even to reach a situation where parallel decisions are made and efforts are duplicated in one or another sphere. On the other hand, the realistic evaluation of the situation excludes the renunciation of BSEC as a form of (trans)regional co-operation not in the least because of for the last five years BSEC has developed as a well known initiative in Europe, although its content and real accomplishments are still very modest.

With its transformation into an international organisation, BSEC should go beyond the framework of an initiative and, therefore, lose part of its flexibility. It is quite



possible for the struggle for influence in its bodies to turn it into an arena for aspirations of the larger participants to impose their interests on others.

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## ***POST-DAYTON REGIONAL INITIATIVES IN SOUTHEAST EUROPE***

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The regional initiatives for Southeast Europe launched by the European Union and the United States after the signing of the Dayton Agreement reflect the international community's stronger attention and commitment to the Region, together with two different approaches to post-conflict regulation. The Royaumont Process and the South-East European Co-operative Initiative are essentially exercises in security, stability, good neighbourliness and co-operation in Southeast Europe.

### ***THE ROYAUMONT PROCESS***

The foundation of this process of dialogue and consultations was laid at the Paris Peace Conference for Bosnia and Herzegovina in December 1995. Immediately after the signing of the peace agreements on 13 December 1995, the delegations of South-East European countries met at the Royaumont residence in Paris and adopted a short declaration to launch 'a process for stability and good neighbourliness' in the Region, placing the peace agreements just signed in a broader and longer-term context. The process involved 9 South-East European countries (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Yugoslavia, Macedonia, Romania, Slovenia, and Turkey) plus the 15 EU Member-States, USA, Hungary and Russia.

#### ***Overview***

Undertaken by France, the initiative reflected the desire of Western Europe to try and balance in some way or another the growing US political and military influence in the Region as a result of the Dayton Agreement. After Dayton, the European Union had no choice but to recognise the decisive role played by the United States in sustaining the military and political aspects of the peace in Bosnia and Herzegovina, while trying to assume a leading position with respect to the civilian and socio-economic aspects of the post-conflict reconstruction effort.

The Royaumont initiative met with reservations on the part of many (e.g., USA, Turkey) who saw the priority of the Dayton Agreement over all other initiatives for the Region. Subsequently, those objections were withdrawn, which did not, however, mean a change of heart. Notably, at that stage, countries like Croatia described the subject of good neighbourliness as premature, given the great number of unresolved issues, such as those of succession and mutual recognition among the new states emerging from former Yugoslavia.

Already during the preliminary phase of the Royaumont Process, the analogy was drawn with the Stability Pact (another French initiative adopted in March 1995), which had aimed at the promotion of good neighbourly relations in Central and Eastern Europe, and the Baltic region. On the other hand it was also at that early stage that two substantial differences were identified between the Pact and the Royaumont Process: firstly, unlike the Stability Pact, the Royaumont Process involved countries that did not have before them the prospect of accession to the European Union; and secondly, given the specific situation in the Balkans, the Process could not afford to give minority-related issues any great prominence. Paris saw the beginning of a 'joint reflection' on the various aspects of long-term stabilisation in Southeast Europe and, in particular, national reconciliation, human contacts, and civil society. The understanding was that eventually the process should evolve into a 'round table' of the countries in the Region as an equitable discussion and problem-solving instrument. The round table was to be set up within the OSCE framework subject to Yugoslavia's accession to the Organisation, and OSCE was to take on the functions of a quasi-secretariat for the Royaumont Process.

### *Evolution*

- ① The Royaumont Declaration evolved into a Common Platform of the EU (27 February 1996) on the development of the process of stability and good neighbourliness in Southeast Europe.
  - ☞ The Platform's main objectives were: the stabilisation of Bosnia and Herzegovina and the surrounding region of Southeast Europe; confidence building and dialogue; promoting treaties of friendship and good neighbourliness, and bilateral co-operation projects. In these respects, there was a pronounced continuity with the Stability Pact, and the European Union expressed its willingness to support the various projects by complementary measures.
  - ☞ The Platform's approach focused primarily on those countries in the Region which had not signed EU association agreements, i.e., the former Yugoslav republics (with the exception of Slovenia), on the understanding that other neighbouring countries could also be involved in the projects.

The Platform identified the following main areas of activity: active movement of persons, ideas, and information; re-establishment of dialogue and confidence among academics, journalists, and religious activists, i.e., on the basis of civil society; prevention of hostile propaganda; re-

establishment of cultural, technical and scientific co-operation, and of cross-border projects; and restoration of the civil service and the administration of justice with the assistance of Council of Europe experts.

② In pursuance of the Platform, the so called 'Identification Meeting' was held in Vienna on 24 April 1996 for the purpose of lending concrete dimensions to the process. Invited to that Meeting as full participants were 28 states (the 15 EU members, the 9 South-East European countries plus Hungary, USA, Russia, and Turkey) plus Switzerland, holding the OSCE presidency, the Council of Europe, and the European Commission.

☞ The forum's objective was to identify the areas of co-operation and the specific projects which could bring together the countries of the Region with EU support for the development among them of stable peace, good neighbourly relations, and multilateral co-operation. The point was made that the Royaumont Process would not focus immediately on matters of security and economic reconstruction, which would be the subject of other fora, but would instead deal with the political, civilian, cultural, and information aspects relating to the development of a system of stability and good neighbourliness involving the broadly defined region of Southeast Europe, as well as the countries of former Yugoslavia.

☞ In that sense, the emphasis was made that Royaumont came to supplement Dayton with a focus on long-term stabilisation by the promotion of free human contacts and cultural and information exchanges. The European Union assigned main priority to the national reconciliation among the ethnic and religious communities in Bosnia and Herzegovina, and the development of civil society in the countries of former Yugoslavia. It was reaffirmed that the subjects of dispute relating to minorities and borders at the root of the Yugoslav conflict should not be discussed within the Royaumont Process.

☞ Particularly important was the readiness expressed by the European Commission to contribute to the funding of possible complementary measures. Basic projects were identified, including some within the EC/PHARE framework, whereby the Commission could contribute funds to the civilian aspects of post-war reconstruction in Bosnia and Herzegovina (e.g., freedom of the mass media, NGO development). The importance was emphasised of the forthcoming expansion of the PHARE programme to include all countries in the Region, providing opportunities for regional projects.

- ☞ As an accompanying measure, France proposed a framework project for the development of the mass media in the Region, with a particular focus on media independence in Bosnia and Herzegovina, Yugoslavia, and Croatia. A special co-ordination centre in Brussels was agreed upon to which the participating countries would address concrete co-operation projects requesting EU support.
  - ☞ Lastly, the Vienna Meeting agreed on the need for regular meetings of the participating countries until the establishment of the regional round table within OSCE subject to the accession of Yugoslavia.
- ③ Subsequent meetings were held in Bucharest (25 June 1996), Athens (21 October 1996), Skopje (8 April 1997), Istanbul (27 October 1997), and Athens (31 March—1 April 1998). Those meetings worked further on the specifics of projects towards the implementation of the Royaumont objectives. A certain shift was also allowed however towards the duplication of projects and initiatives being implemented within other frameworks (such as CEI and BSEC); considerable exchange of information took place relating to other regional co-operation initiatives.
- ☞ The Bucharest Meeting was essentially a follow-up to the Identification Meeting at Vienna, discussing the scope of the initiative and its relatedness with others (CEI, BSEC, SECI). Romania and Russia proposed the involvement of NGOs in the Process, and the Economic Commission for Europe (ECE) offered advisory services for the formulation of project proposals.
  - ☞ In Athens in October 1996, progress was reviewed in the areas of peace, stability and good neighbourliness in Southeast Europe, deriving mainly from the successful implementation of the Dayton Agreement. The Greek delegation announced several project proposals for co-operation between the European Union and the countries of Southeast Europe in the areas of security, human rights, and the environment. Other proposals envisaged the establishment of a forum for young politicians from Southeast Europe and co-operation among researchers and research institutions. Special attention was paid to the subprojects for the development of free media in Bosnia and Herzegovina.
  - ☞ The Skopje Meeting of April 1997, overshadowed by the Albanian crisis, urged the European Union to develop a broad policy for Southeast Europe similar to EU policies for other regions. The Sofia Declaration, with the needs and proposals set out in it, was proposed as the basis of such a pol-

icy. The European Commission pointed out the need for the identification of more projects (in addition to the six already identified), following the experience in the framework of the Stability Pact. Greece proposed a project to develop tourist routes to historic sites in the Region, and another one for the development of an education network in the field of environmental protection.

- ☞ In Istanbul at the end of October 1997, the European Commission explained the nature of the assistance to be provided in the form of accompanying measures. In addition, the Commission announced its intention to prepare an Action plan for the initiative and designate a co-ordinator. The Meeting further discussed the possibility of organising special events with NGO representatives. In connection with Turkey's proposal on free media projects, the Meeting discussed the possible co-ordination with the Council of Europe and BSEC.
- ☞ By the European Council decision of 28 November 1997, Dr. Panayotis Roumeliotis was appointed Co-ordinator of the Process for a term of three years, and the proposed Action Plan was approved on 26 January 1998.
- ☞ The latest meeting in Athens, March—April 1998, re-emphasised the importance of free media and the involvement of NGOs. The meeting was preceded by a round table of journalists from the participating countries to discuss the role of the media in the strengthening of security in Southeast Europe. That and the action plan adopted by the participants were the first direct involvement of the civil society in the Royaumont Process. A similar meeting of NGO representatives was recommended.

### *Comparative Advantages of the Royaumont Process*

- ① The main positive aspect of the Royaumont Process is the confirmation by the EU Member-States of their commitment to stability and good neighbourliness in Southeast Europe, and the contribution of their political and economic credibility in support of a long-term process aiming primarily at the establishment and mobilisation of the civil society in the participating countries as a means of achieving those objectives.
- ② Secondly, the Process has so far had a favourable impact on the enhancement of European integration in Southeast Europe and the involvement of the European Union with complementary measures in support of good neighbourliness and co-operation projects.

*Functional Constraints of the Royaumont Process*

Without prejudice to the above, the Process has exhibited the following weaknesses:

- ① The doubtful effectiveness of a future regional round table within the OSC framework (that having been announced as the final stage of the Process) and the apparent absence of a single EU approach to all the countries in the Region, each of them being treated in accordance with its level of relations with the Union.
- ② The delays in the funds approval and disbursement procedure for the project proposals due to the cumbersome process of consultations within the EC and the intergovernmental level.

*THE SOUTH-EAST EUROPEAN CO-OPERATIVE INITIATIVE (SECI)*

The Initiative (known also as the 'Shifter Initiative') was launched by the US administration with a view to promoting stability in the Region and preventing any new conflicts. According to its proponents, while the Royaumont Process focused on the so called 'third basket' (humanitarian co-operation, interethnic relations, and the civil society), SECI was aimed at enhancing co-operation on the 'second basket', i.e., the economy, the environment, and infrastructure development. As specific project examples SECI mentioned the East-West transport corridor (Adriatic—Black Sea) and Sofia Airport. On the other hand, the US emphasised that SECI was not intended as a foreign aid programme but, rather, as a 'self-help' one, enabling and mediating in the fund-raising process by more active contacts among the countries in the region, involving the specialised international institutions and major private investors.

*Overview*

Initially, SECI met with serious EU reservations, until the US and the Union reached an understanding in principle to co-operate in the parallel development of the two regional co-operation and stability initiatives for Southeast Europe, i.e., SECI and Royaumont. A significant detail is the fact that, at that stage, both the US and the Union rejected the scenario of the two initiatives merging eventually, on the understanding that each of them had a distinct role of its own in the stabilisation process in Southeast Europe.

The EU reservations to SECI stemmed primarily from its concern that the American initiative did not take account of the Union's efforts to ensure the Region's economic stabilisation and the bilateral economic assistance provided to the countries of Southeast Europe in the framework of the co-operation—association—accession strategy. In the eyes of the Union, the United States were after a mere political dividend, falling short of a serious economic commitment, while the main burden of financial assistance to the Region was still borne by the European Union under its various programmes. Thus, SECI was initially regarded as a US attempt to capitalise on the favourable political situation, resulting from the implementation of the Dayton Agreements, by increasing their economic influence in Southeast Europe at EU expense.

- ☞ Taking account of these reservations, after a lengthy process of consultations with the European Union and the countries of the Region that lasted almost the entire 1996, the United States made adjustments and clarifications in order to strike the most appropriate balance between SECI and the existing initiatives and forms of co-operation. The so called *Points of Common EU-US Understanding* specified that SECI was not going to be a technical assistance programme and would not duplicate already existing mechanisms but would rather concentrate on the establishment of new channels of communication with respect to the 'weak elements' by stimulating the necessary 'missing links' among the countries in the Region and creating a favourable environment for investment and the transfer of technology to the private sector.
- ☞ Essentially, the initiative's main objective, declared as "the establishment of a regional community for the promotion of co-operation among its participants and enabling their integration into European structures", was to accelerate the decision-making process on the infrastructure planning and development in the Region. The approach to the development of the so called 'completed project package' was to comprise the identification of infrastructure development priorities and the assistance with their implementation. The mechanism was to be based on working groups for each project, contracting arrangements for funding and implementation, and the necessary political support and co-ordination.
- ☞ The initial idea of placing SECI within its so called 'economic dimension' led to an OSCE proposal for the appointment of its special representative and the co-ordination of the initiative from its staff office in Prague. However, due to EU objections and on the basis of the subsequent understanding between the Union and the United States, SECI was finally institutionalised within UN/ECE at



Geneva, which did not mean closing the door entirely to possible links and co-operation with OSCE.

### *Evolution*

- ① An Inauguration Meeting took place in Geneva on 5-6 December 1996 at which, under US and ECE auspices, SECI was founded by 11 countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Hungary, Macedonia, Moldova, Romania, Slovenia, and Turkey. Yugoslavia had also been invited but due to the latest developments in Belgrade, the invitation was withdrawn on the understanding that it would accede to the initiative upon the removal of the then existing obstacles. In addition, the status of 'Supporting State' was created (meaning stakeholders outside Southeast Europe) with the right of participation in SECI fora.
  - ☞ The Geneva Meeting adopted a Statement of Purpose defining SECI as "a regional forum at political and expert level for the discussion of regional economic and environmental issues." The point was also made that SECI would not be an obstacle to, but would rather supplement other similar fora, such as the Royaumont Process, the all-Balkan process, CEI, and BSEC.
  - ☞ The decision was made to set up an Agenda Committee consisting of high-ranking officials from the participating countries to define co-operation priorities and projects. In addition, a Business Advisory Committee was created comprising leading businessmen from the Region and elsewhere to promote private-sector investment in Southeast Europe by disseminating the results of working group discussions in the framework of SECI. For its part, UN/ECE expressed its readiness to provide expert and technical assistance.
  - ☞ The participants in the Meeting requested the then OSCE Chairman-in-Office and Swiss Foreign Minister Flavio Cotti to nominate a high representative to the post of SECI Co-ordinator. On Mr. Cotti's advice, Erhard Busek, former Vice Federal Chancellor of Austria, was appointed to that post on 19 December 1996. With US, German, Italian and Austrian financial support, the Co-ordinator's office was set up in Vienna in March 1997.
- ② The Agenda Committee held its first meeting on 29 January 1997 in Geneva. It adopted the Draft Methods of Works and decided open activities on six of the 12 ECE-proposed subject areas, setting up the corresponding six working

groups under the co-ordination of a host country from among those participating in the initiative:

- ☞ Regional and cross-border trade: Border crossing facilitation: actions to overcome operational difficulties — host country Greece;
- ☞ Energy efficiency demonstration zones network in Southeast Europe — host country Hungary;
- ☞ Financial policies to promote SMEs through microcredit and credit guarantee schemes — host country Romania;
- ☞ Identification of bottlenecks along main international corridors in the SECI region and short-term measures to remove them — host country Bulgaria;
- ☞ Interconnection of natural gas networks, diversification of gas supply and improvement of security of supply in Southeast Europe — host country Bosnia and Herzegovina;
- ☞ Danube recovery programme — host country Austria.

③ So far, the SECI Agenda Committee has held five more meetings:

- ☞ The second one (24 March 1997) reviewed progress in the working groups and adopted new project proposals.
- ☞ The third meeting (25 June 1997) discussed the work of five of the working groups, some of which had already met twice. Among the new project proposals, special attention was drawn to the development of interconnection of electric power systems of SECI countries for a better integration to the European system, and account was taken of the need for joint actions in this respect with BSEC.
- ☞ The fourth meeting (15 October 1997) approved the above new project under No. 7 and Macedonia was designated to host it.
- ☞ The fifth meeting (29 January 1998) approved the project for co-operation among stock exchanges in Southeast Europe, to be hosted by Turkey.
- ☞ The sixth meeting was held on 15 April 1998 and in addition to the current review of working group progress, the Committee discussed the Romanian proposal for the co-ordination of measures combating organised crimes and corruption in the framework of Project No. 1.

- ④ So far, the first six working groups have had several meetings each, and the last two have each met once. On the basis of ECE and SECI countries expert assessments, the existing problems and difficulties have been identified in every area, and the relevant working group has made recommendations for further activities. The purpose is to make sure that, at a certain future stage, the countries in the Region undertake concrete steps to remove those existing problems with the support of specialised international institutions and private investors. The first round of consultations suggests that still the SECI countries rely mainly on established donors, such as the European Union, the World Bank, EBRD, and the European Investment Bank.
- ⑤ Despite the active efforts of the Business Advisory Committee (BAC), the task of attracting the interest of major multinational companies to the issues in Southeast Europe still appears difficult. Following BAC's second meeting (9 September 1997), which among other things made the decision for the Committee to meet four times a year, Bucharest hosted the forum on Supporting SMEs in Southeast Europe: Finding Viable Strategies, and at the end of December 1997, another forum on Border Crossings: Removing Obstacles to Trade in Southeast Europe was held in Istanbul.
- ⑥ Another notable recent development has been the accession of Germany (on 1 February 1998) to the group of Supporting States.

#### *Comparative Advantages of the SECI*

- ① SECI's greatest strength is its reliance on the international prestige of the United States in support of co-operation in the Region. The initiative's scope and scale are impressive, as well as its self-supporting organisational structure. The hosting/co-ordination of projects by various SECI countries has proved a very successful formula.
- ② Another strength is the emphasis on economic, environmental, and infrastructure co-operation, leaving aside disputed matters of political, historical or ethnic nature.
- ③ A third strength is SECI's flexibility and pragmatism in combination with its orientation toward a rapid positive effect at a relatively low cost.
- ④ Last but not least is the reliance on private sources of funding outside the SECI region, i.e., banks, foundations, and American multinationals, and use made of UN/ECE expertise.

*Functional Constraints of the SECI*

- ① The inevitable duplication of activities with those of specialised international organisations (ECE in particular) and the repetition of well-known findings without any great contribution to new solutions.
- ② The absence of any direct financial commitment by the US or the other Supporting States or multilateral financial institutions in support of the approved co-operation projects. At the sixth meeting of the Agenda Committee (15 April 1998), the World Bank representative drew attention to the fact that the Bank: “has given no commitment to provide loans in support of the SECI Border Crossing Initiative and that it is only willing to consider requests for loans from the World Bank’s counterparts in each country, generally the Ministers of Finance.”
- ③ The politically expedient exclusion of Yugoslavia from the initiative, creating a communication discomfort in the Region, plus the prevailing emphasis on the so called ‘Southern Balkans’ and the ‘East-West’ projects.
- ④ SECI’s failure to overcome some old ways of thinking illustrated for instance by Romania’s persistent opposition to a second bridge on the Danube.

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## MULTILATERAL CO-OPERATION IN THE BALKANS

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The relations among the countries of Southeast Europe during the period after World War Two were determined by the stereotypes of the Cold War and its characteristic bloc confrontation. As new tendencies gathered momentum during the 1980s, some hopes for rapprochement and co-operation emerged and the Balkan states gradually matured for the idea of an all-Balkan Conference as a reflection in the Region of the Helsinki all-European Process.

### *BACKGROUND AND OVERVIEW*

- ① The first attempt at launching a broad process of multilateral Balkan co-operation was made at the Balkan Foreign Affairs Ministerial in Belgrade on 24-26 February 1988. It was during the preparation of that event that the term 'all-Balkan Conference' was first used.
- ② The Belgrade Ministerial was followed by another at Tirana (24-25 October 1990). There, the decision was made for annual meetings of Foreign Ministers plus two meetings a year at the level of Deputy Foreign Ministers. Unfortunately, the outbreak of the war in former Yugoslavia brought the all-Balkan process to a complete standstill and, except for several Deputy Ministerials, no further concrete steps were made.
- ③ The peace agreements for Bosnia and Herzegovina and the decisive commitment of the international community to the peacemaking and peacekeeping effort in the Balkans created the right conditions for, and gave a new impulse to, the then dormant all-Balkan co-operation process. On that basis, Bulgaria launched the initiative for a new beginning of the broadly inclusive multilateral co-operation with a view to ensuring lasting stability and security in the Region.

Thus, multilateral co-operation in the Balkans was initiated from within the Region itself, reflecting the authentic understanding of the countries in that part of the Continent regarding their common interests and goals, and their united political will to seek a balanced and constructive approach to the existing problems. This view is justified by the general principle that it is for those who live in the Region to set their priorities and agendas, and find common solutions to common problems.

Unlike the two regional co-operation initiatives discussed above, Royaumont and SECI, the all-Balkan Process provided for high- and highest-level dialogue. At present, the Process has proliferated itself into three types of political forum, where Foreign Affairs Ministerials have the leading role, being complemented, albeit informally at this stage, by the dialogue among the Heads of State and by the growing momentum of the co-operation at the level of Defence Ministers (in a somewhat different format). Added to all this should be the active policy of bilateral and the new Balkan-specific form of trilateral relations.

### *EVOLUTION OF THE PROCESS OF MULTILATERAL CO-OPERATION IN THE BALKANS*

#### *Foreign Affairs Ministerials*

- ① The idea of multilateral co-operation in the Balkans was put on the agenda for a second time at the *Balkan Foreign Affairs Ministerial in Sofia, 6-7 July 1996*. Already during the preparation phase, it became clear how difficult it would be for some to overcome the deep tensions in the Balkans: At the last moment, Macedonia withdrew from the Conference on grounds relating to the controversy surrounding the country's name; Greece would not yield from its radical position on that matter; Turkey, Albania, and Bosnia and Herzegovina effectively tried to downgrade the event by being represented at lower than Ministerial level.

At the Sofia Ministerial, seven countries — Albania, Bosnia and Herzegovina, Bulgaria, Greece, Romania, Turkey, and Yugoslavia — adopted the Declaration of Good Neighbourliness, Stability, Security, and Co-operation, which was later circulated as an official document of the UN General Assembly and Security Council (A/51/211 — S/1996/551 of 16 July 1996). The declaration was endorsed also by the participants in the broader format of the Conference, including the representatives of Croatia, Slovenia, Italy, and Hungary, and the five Contact Group countries, the Presidency in office of the European Union (Ireland), the UN, the European Commission, the Council of Europe, and the country-representatives of OSCE, CEI, and BSEC.

By the what became known as the Sofia Declaration, the Foreign Ministers of the seven Balkan nations undertook to begin a process of multilateral co-operation of a clear pro-European orientation and in close interaction with the other regional co-operation initiatives for Southeast Europe. The Declaration

identified four areas of co-operation with specific recommendations in each of them:

- ☞ *Strengthening stability, security, and good neighbourliness* based on the principles of international relations as set out by the UN Charter, the Helsinki Final Act, and the Paris Charter of New Europe, and studying the possibilities for the development of regional confidence and security building measures (CSBMs). In this connection, the recommendation was made to hold a Balkan Defence Ministerial in Sofia. The understanding that international co-operation should contribute to the strengthening of the peace process in all its aspects was at the basis of the signatories' declared commitment to the full implementation of the peace agreements for Bosnia and Herzegovina.
  - ☞ *Developing multilateral co-operation in the Region* with an emphasis on cross-border co-operation, transport, communication and energy infrastructure development, trade and investment promotion, and the protection of the environment. Concrete recommendations were made to develop a regional cross-border co-operation programme with the assistance of the European Union and other international organisations and institutions; establish a transregional centre for the transport infrastructure based in Sofia and harmonise the transport legislation of the countries in the Region with the relevant EC law; and establish a regional trade promotion centre.
  - ☞ *Encouraging the co-operation in the humanitarian, social, and cultural fields* based on the protection of human rights and the facilitation of free personal and professional contacts, recommending the active involvement in that process of NGOs and other associations from the Region.
  - ☞ *Co-operation in the field of justice, combating organised crime, the illegal trafficking in drugs and weapons, and terrorism.* The possibility was highlighted for a regional conference on combating drug trafficking and manufacture, and the adoption and review (twice annual) of joint measures to combat irregular migration and strengthen border controls.
- ② *The second South-East European Foreign Affairs Ministerial was held in Thessaloniki, 9-10 June 1997.* It followed up on the process initiated at Sofia and gave it a new political impetus. This time, Macedonia was also present thanks to the compromise solution of designating the participants by their national flags and not by their names. Only two of the countries — Turkey and Albania — were underrepresented at the level of Deputy Ministers. A notable fact was the final-

isation of the Observer status of Slovenia, Croatia, and Bosnia and Herzegovina, as well as the participation as Observers of Armenia, Austria, the Czech Republic, Hungary, Italy, Moldova, the Slovak Republic, Sweden, and the Ukraine.

The Thessaloniki Conference essentially sustained and built upon the already established framework of the all-Balkan Process, covering political dialogue, economic and trade co-operation, humanitarian, social, and cultural co-operation, and the fight against organised crime, terrorism, and illegal trafficking.

- ☞ Worth mentioning among the general matters agreed upon are: the decision to continue on a regular basis the meetings of Political Directors/Senior Officials of the Ministries of Foreign Affairs; the commencement of consultations in preparation for the South-East European Defence Ministerial scheduled for the autumn of 1997 in Sofia; and the holding of highest-level meetings, the first of which was planned for November 1997 in Crete. In addition, a meeting was agreed to be held in Skopje to review the implementation of earlier CSBMS arrangements and study the possibilities for further such measures on a regional basis.
  
- ☞ Infrastructure development for transport, telecommunications and energy was defined as a key factor of economic growth in the Region. In the context of the results reported by the European Transport Ministerial (21-22 April 1997), special attention was paid to the accelerated development of the 10 pan-European corridors defined at Crete in 1994. With a view to the further expeditious implementation of EU programmes in this field, a cross-border co-operation meeting to be held in Athens was agreed. Considering the need for more active trade relations, future regular Trade Ministerials were agreed to develop trade promotion measures and create a regional trade promotion centre based in Turkey. In the field of SMEs, the relevant Balkan Centre in Bucharest was to expand its coverage to include all countries of the Region, and in telecommunications, a special expert unit was to be set up within the Balkan Telecommunications Pool in Athens with a view to identifying concrete co-operation and foreign investment opportunities in that area.

In the framework of the Thessaloniki Conference, the Russian-Greek initiative was also announced to hold, at the end of 1998, a South-East European Summit on strengthening co-operation and stability in the Region, with the partici-



pation of the United Nations, the permanent members of the UN Security Council, EU, and other international organisations.

- ③ *The third South-East European Foreign Affairs Ministerial was held in Istanbul, 8-9 June 1998.* All participants were represented at Ministerial level, and Croatia, and Bosnia and Herzegovina sent observers. Other attendants included representatives of the Contact Group, the European Commission, the EU Presidency, the Council of Europe, NATO, OSCE, the World Bank, the SECI and Royaumont Co-ordinators, the BSEC Secretary General. Parallel to the Conference, a Business Forum representative of the Region was organised by the Turkish Council for Foreign Economic Relations.

The Istanbul Conference was overshadowed by the latest developments in the Kosovo conflict, which for the first time became the subject of discussion in the presence of the Yugoslav side. Indeed, the Conference dwelt extensively on the Kosovo situation and clearly emphasised the threat of a sharp deterioration, together with the understanding that the countries of the Region should each assume responsibility and participate actively in the search for a peaceful solution. The fact was highlighted that the Conference presented a unique opportunity to discuss the problem in the spirit of good will and openness, as the Regional Process is one of the few international frameworks within which Yugoslavia is fully involved. The initial draft of a Final Declaration contained conciliating and carefully balanced language on Kosovo, but the opinion prevailed that by the time of its adoption it had largely fallen behind the latest unfortunate developments.

- ☞ The unconstructive approach of the Yugoslav delegation, insisting on the internal nature of the Kosovo conflict, was somewhat offset by the consistent efforts of the other six countries to find a solution that would sustain and enhance the process of regional co-operation, while expressing their concern with the deterioration of the situation in Kosovo as a major threat to stability and security in Southeast Europe. In the end, the Istanbul Conference adopted two declarations: the Istanbul Declaration of Good Neighbourliness, Stability, Security, and Co-operation in Southeast Europe (by the original seven signatories); and the Declaration on the Situation in Kosovo (signed by the six, excluding Yugoslavia). The Chairman's Summary set out the main points of the discussion and the positions of the participants.

The most significant achievement of the Istanbul Conference was the demonstration of the common desire to strengthen and deepen the regional co-

operation, confirming the understanding that the political aspects of the process of good neighbourliness, stability, security, and co-operation are its key characteristic. The Conference noted that the process is becoming established as a leading regional co-operation initiative for the Region, being complemented by the other area-specific co-operation arrangements and being sustained in its role by the initiative, the unconditional support, and the full participation of all countries of Southeast Europe. The emphasis was made that the process is an integral part of the general processes of European and Euro-Atlantic integration, and an essential development in this respect was its definition in the Istanbul Declaration as a 'South-Eastern European Process'. The text of the Declaration itself is indicative of the new spirit prevailing in the relations among the countries of the Region and has sent a positive signal to the international community.

- ☞ A main element in the Declaration is the evaluation of co-operation in the political field and the progress made from declarations of political will to concrete actions. The strengthening of this co-operation is placed in the context of the desire to develop co-operative responses to questions of stability and security as expressed by the acceptance of the Turkish proposal for a Charter of Good Neighbourliness and Co-operation in Southeast Europe, the support given to the idea of multinational peacekeeping forces, the persistent efforts to enhance co-operation in the field of CSBMS and with respect to the new threats, such as organised crime, the concern with the results of the stabilisation in Albania and the further implementation of the peace agreements for Bosnia and Herzegovina.
- ☞ The progress of co-operation in the economic field is discussed in the context of the efforts to create a more favourable economic environment (further trade liberalisation in keeping with international commitments, development of financial markets, privatisation, promotion of foreign investment) and ensure the development of transport, telecommunications and energy infrastructures, the pan-European transport corridors in particular.
- ☞ The mechanism and the institutionalisation of the process are regarded as a gradual development, a permanent secretariat being considered premature at this stage, while the host country of each Conference can perform such functions during the current year. The signatories confirm that the process will continue to function through Foreign Affairs Ministerials (held once a year) and the meetings of Political Directors (on a quarterly basis),

the role of the latter being enhanced in order to facilitate the effective implementation and monitoring of the process.

*The Crete Meeting of the Heads of State and Government (November 1997)*

The Meeting was held informally on 3-4 November 1997 on the island of Crete and was attended by the Heads of State or Government of Albania, Greece, Macedonia, Romania, Turkey, Bulgaria, and Yugoslavia accompanied by their respective Ministers of Foreign Affairs. It was the first meeting of its kind in such a format and was organised by Greece pursuant to the joint recommendation of the Foreign Ministers at the Thessaloniki Conference of June 1997.

Being informal, the Meeting had been arranged as an opportunity for personal contacts and a free exchange of views and ideas on the most important bilateral or regional issues. On the other hand, its practical significance proved enormous as it effectively set the framework for the future relations among the countries of South-east Europe, a framework that was to acquire its official dimensions at the Istanbul Foreign Affairs Ministerial in June 1998.

The starting point of the discussions at Crete was the exchange of views on questions of European integration, the EU and NATO enlargement, and the position of Southeast Europe in international affairs. Against this background, the need was identified for a new positive international image of the Region and the promotion of regional co-operation as a form of the countries' active involvement in the European integration process. Given the clear strategic orientation of the countries toward full membership in the European and Euro-Atlantic structures, regional co-operation was also discussed as a factor of the all-European stability and security.

☞ In the context of the international economic situation and the development of the countries' market economies and trade relations, *special attention was paid to the various forms of economic co-operation in the Region* (including, trade liberalisation, cross-border co-operation, and the improvement of customs arrangements) and co-operation in the field of infrastructure development (transport, telecommunications, and energy). The discussion led to the presentation of concrete proposals for new mechanisms and structures of economic co-operation, such as trade promotion centres, the approximation of national legislation to EC law, the exchange of information and contacts in the field of infrastructure.

☞ The second discussion area at Crete centred on *the promotion of good neighbourliness and common security in the Region*. The talks, and the proposals

made by the Heads of State and Government highlighted the need for co-operation to meet the new challenges and security risks in the Region, such as organised crime, illegal trafficking, and terrorism; the military aspects of co-operation with ideas for their institutionalisation and the holding of joint military exercises; the establishment of structures like a Regional Training Centre for Peacekeeping Operations, a Centre for Crisis Prevention and Management, a Group for Consultations and Co-operation on Question of Security in Southeast Europe within the framework of the Euro-Atlantic Partnership Council. Present in all discussions was the rejection of any new lines of division or separate groups of countries in the Region, or the unequal treatment of certain countries.

- ☞ With respect to *the mechanism of multilateral relations*, regular meetings were proposed to be held at various levels, including the establishment of a Consultative Committee of the Political Directors to meet on a quarterly basis. The participants were almost unanimous in cautioning against the hasty creation of cumbersome bureaucratic structures, while urging that efforts be focused on the most effective utilisation of the available resources for the implementation of concrete projects. Some of the proposals were reflected in the Meeting's final document.

The Meeting adopted a Joint Statement and set the next meeting for 1998 in Turkey (11-12 October in Antalya, as subsequently arranged).

### *Defence Ministerials*

The Defence Ministerials originate in part from the April 1996 meeting in Tirana attended by the Defence Ministers of Albania, Macedonia, Bulgaria, and Turkey, plus USA and Italy, which was described at the time as the South-Balkan Defence Ministerial. With its fairly controversial legacy in the field of defence co-operation, that meeting reflected the then prevalent American concept of the horizontal division of the Balkans interpreted as the achievement of 'horizontal defence cohesion' along the Tirana—Skopje—Sofia—Ankara line with a view to avoiding new ethnic clashes in the Balkans. Greece was sharply opposed to the idea, arguing that it pursued US strategic interests based on the resurrection of the Yalta model in the Balkans, and refused to participate in what it regarded as the beginning of new division lines in the Region. Romania was not invited at all, and Bulgaria agreed to participate at the last moment. The one positive contribution of that meeting was the adoption of the proposal made by the then Foreign Minister of Bulgaria Dimitur Pavlov to invite the Defence Ministers of all countries of the Region to the next meeting.

In accordance with that proposal, the Sofia Declaration of the Ministers of Foreign Affairs of July 1996 set out the recommendation for a South-East European Defence Ministerial to be held in Sofia, i.e., including Yugoslavia. The deterioration of the domestic political situation in Yugoslavia at the end of 1996 prevented the holding of such a meeting. Subsequently, in 1997, it was decided to start the co-operation in the military field in a somewhat different format from that of the co-operation on general political matters. While Foreign Affairs Ministerials involved Yugoslavia, Croatia, and Bosnia and Herzegovina among the other countries of the Region, the Defence Ministerials and the emerging process of military co-operation would only involve the countries of Southeast Europe who are either NATO or Partnership for Peace (PfP) members, i.e., Albania, Macedonia, Greece, Slovenia, Romania, Turkey, and Bulgaria, plus USA and Italy.

- ① The first meeting in that format took place in Sofia on 3 October 1997 and was attended among others by representatives of the OSCE Chairman-in-Office and the WEU Secretary General. Russia was not invited. The Meeting was devoted to the discussion and adoption of initiatives aimed at enhancing the integration of the countries of the Region into the Euro-Atlantic security structures and at providing the impetus for regional co-operation and the development of new CSBMs in Southeast Europe.

Three main areas were discussed and concrete measures were adopted in a number of common interest areas:

- ☞ Integration into the Western security institutions with all resulting from that responsibilities in the field of restructuring of the armed forces and guaranteeing of democratic control upon the entire process of military reform
- ☞ Confidence and security building measures implying the building of mutual senior level relations, exchange of information, military staff exchange and exchange of units
- ☞ Ideas and forms of regional co-operation in defence matters including civil emergency planning, participation in peace-keeping and peace support operations, environmental security as an important factor for stable development

The Meeting adopted a Joint Statement of the Defence Ministers with an annex including all the concrete initiatives approved during the discussions.

- ② The question of the military aspects was related to Turkey's idea, launched at the Session of NATO Ministers of Foreign Affairs in Sintra at the end of May 1997, of the *establishment of Balkan peacekeeping forces*. The consultations on this took fairly long and focused among other things on the auspices under which such peacekeeping forces would operate. At the meeting of experts from Bulgaria, Romania, Macedonia, Albania, and Turkey (plus US and Slovenian observers) in Ankara on 18 March 1998, the decision was finally made to go ahead with the implementation of the idea, the forces to be used in the PfP framework in Southeast Europe. Given the special position of Greece, which had launched a similar idea at the Defence Ministerial in Sofia, it joined the discussions at a later stage. The countries supporting the idea have insisted that the multinational forces should include most of the countries of the Region.

### *Trilateral Meetings*

Discussing the extremely active bilateral relations of the countries of Southeast Europe in recent years, one should highlight also the other, fairly new but very promising format of *trilateral meetings*. In 1995, Greece took the initiative for closer relations and co-operation with the EU Associated Countries in the Region, i.e., Bulgaria and Romania. At the first meeting of Foreign Ministers of the three countries ('Yoannina I', 25 August 1995), views on matters of common interest were exchanged, including: the Transport Corridor 9; a second bridge on the river Danube; and the Bourgas—Alexandroupolis pipeline. At the second meeting in Varna, Bulgaria (so called 'Yoannina II', 16 March 1996), the dialogue went much further, focusing on the countries' respective positions on the Dayton Agreement.

The trilateral meetings were welcomed by Bulgaria and Romania as they were in harmony with the two countries' desire to pursue balanced foreign policies. Theoretically, the scope of those meetings could be defined as "two EU Associated Countries plus one EU and NATO Member State" or "two PfP countries plus one NATO Member State".

- ① After a brief gap, the Santorini Meeting, on 11-12 April 1998, of the Foreign Ministers of Bulgaria, Romania, and Greece resumed the process started at Yoannina in 1995. The Meeting signed a Joint Declaration, having discussed the situation in Kosovo and emphasising that the joint declarations on Kosovo by the Foreign Ministers of the countries of the Region (10 and 25 March 1998) formed a new model of relations in Southeast Europe whose spirit should be promoted further. The Santorini Declaration presented the view in favour of involving all countries of the Region in the formation of the Balkan Peacekeeping

Forces, the decision to set up a group of experts to study the possibilities for a second bridge on the Danube between Bulgaria and Romania, and support for the Bulgarian initiative for the establishment of a Regional Centre for combating illegal drug trafficking in order to try and close the so called 'Balkan drug route'. Finally the three Ministers agreed to hold their next meeting in Bulgaria.

- ② That interest-balancing policy was manifested also by the trilateral meeting of the Heads of State of Bulgaria, Romania, and Turkey (16-17 April 1998, Antalia), the second of its kind after Varna in October 1997. The Meeting adopted a Joint Statement expressing concern with the situation in Kosovo and substantiating the signatures of two other documents: the Joint Declaration on the establishment from the beginning of 1999 of a free trade area among the three countries; and the Co-operation Agreement on Combating Against Terrorism, Organised Crime, Illicit Trafficking in Narcotic Drugs and Psychotropic Substances, Money Laundering, Arms and Human Trafficking and the Other Major Crimes. The latter document is to be offered to the Governments of neighbouring countries for accession.

The gradual establishment of the practice of highest-level trilateral meetings should be interpreted as indicative of the need for an official concrete dialogue on an increasingly broad basis. Contrary to the alternative interpretation suggesting internal Balkan 'triangles', those meetings should be regarded as attempts at reaching constructive arrangements on matters of local nature, which might in addition lay the foundations of practices promoting the relations among the countries in the entire Region.

#### *Comparative Advantages of the Multilateral Co-operation in the Balkans*

An assessment of the potential and the prospects of the all-Balkan Process would highlight the following strengths in terms of its contribution to the emergence of single security and co-operation space in Europe:

- ☞ The multilateral co-operation in the Balkans lends a broader regional dimension to the philosophy of the peace agreements for Bosnia and Herzegovina, being based on the understanding that lasting peace and stability can only be achieved through regional dialogue and co-operation. Therefore, the emphasis is on searching for common ground, beginning from the issues and areas that bring the parties together and might foster the necessary climate for solving the open or controversial bilateral problems.

- ☞ Having been launched as an initiative by the countries of the Region itself (an initiative that has since developed into various forms of political dialogue), the multilateral Balkan co-operation is rapidly transcending its infancy and heading towards the stage of proactive behaviour in the efforts to guarantee common security and stability in the Region. Symptomatic in this respect are the new forms of communication among the countries of the Region, i.e., the highest-level meetings, the trilateral meetings, and other fora, resulting in concrete agreement and active co-operation regarding the military aspect of security.
- ☞ Being regional in character, the Process has a clearly pronounced European and Euro-Atlantic orientation, and far from fragmenting the common European space, pursues the ambition of furthering the Euro-integration endeavours of the countries involved and laying the ground for the expansion of the existing Euro-Atlantic zone of stability, symbolised by NATO, over Southeast, as well as Central Europe. Its main objective is to application of the European and Euro-Atlantic values, principles, and standards to the relations among the countries of the Region and in domestic policies relating to human rights, the democratic institutions, and the rule of law.
- ☞ Another strength is the broad scope of co-operation areas and opportunities: in accordance with the comprehensive security concept, the Process covers the military aspects of security and CSBMs, as well as economic, humanitarian, cultural, and environmental co-operation, and the fight against the so called 'new threats' of terrorism, organised crime, and illegal trafficking.
- ☞ The Process is open for interaction with the other initiatives, such as Royau-  
mont and SECI, which contribute to stability in the Region. The Sofia Declara-  
tion proclaimed the principle of equality and full compatibility among these  
initiatives, and the utilisation of their respective capacities in a mutually co m-  
plementary manner. The natural consequence of this approach would be the  
evolution of the all-Balkan Process, given its broad scope, into a political  
framework for the interaction of all relevant initiatives.
- ☞ The Process is open, transparent, and non-discriminatory, placing all the par-  
ticipants on an equal footing in the discussion of the Region's problems. Nota-  
bly, unlike Royau-  
mont and SECI, the all-Balkan Process did not raise any po-  
litical conditions for Yugoslavia's participation.



*Functional Constraints of the Multilateral Co-operation in the Balkans*

- ☞ Despite the declared understanding that the Process will focus primarily on the search for common ground in support of the multilateral co-operation in Southeast Europe, the attitude has prevailed in certain Balkan capitals of using the Balkan co-operation fora for the promotion of national positions to the disadvantage of other countries. The reservations voiced by Croatia and Slovenia for example are the result of regarding the all-Balkan Process primarily from the perspective of their bilateral relations with Yugoslavia and the related concerns that their involvement in the Process might isolate them from Central Europe, to which they regard themselves as belonging, and push them back to the Balkans (and the past dependence on former Yugoslavia). Yugoslavia, for its part, treats the all-Balkan Process as a vehicle for its international recognition as the successor of former Yugoslavia and the consequent reestablishment of its membership in the various international organisations. Albania, on the other hand, would seize every opportunity of shifting the emphasis on the Albanians in Kosovo. Macedonia sets its priorities in the context of its dispute with Greece over its name. Then, there are the traditional tensions between Greece and Turkey. Thus, Bulgaria and Romania seem to emerge as the natural centre of Southeast Europe, given that they are the only two countries in the Region with a minimum of unresolved bilateral issues, either between them or between each of them and its neighbours.
  
- ☞ All this creates the impression that sometimes the unresolved issues are approached with past stereotypes that impede progress and suggests that if it is to proceed and develop normally, the all-Balkan Process will continue to rely largely on external political impulses and a strong physical support from the international community. The engagement of influential external factors is of paramount importance for the solution of the existing problems in the best interest of the Region.
  
- ☞ Being, as it is, in its formative phase, and given the specific conditions in the Region, the all-Balkan Process is likely to continue for some time in its present loose non-institutional form. On the other hand, it would be unrealistic to expect that it could be sustained in future without a system of common institutions similar to those in other regions (e.g., the Council of the Baltic Sea States). Some ideas have already been put forward, such as a Balkan Council, a Parliamentary Assembly, a Centre for Confidence Building Measures, Conflict Prevention, and Co-operation in Emergency Situations. Such institutional developments in the various fields common of interest would form the infrastructure for joint action in the events of crisis, disasters, and other emergencies. A first

concrete step in this direction has been the launching of the idea of Regional Peacekeeping Forces inspired apparently by the absence, most keenly felt in connection with the Albanian crisis, of co-ordination mechanisms for all-Balkan co-operation in local conflict resolution.

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## **CONCLUSION**

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The emerging regional strategy and the efforts to overcome the negative tendencies in Southeast Europe are understandable within the overall context of regionalism in international politics and, on the other hand, the desire of the countries of the Region to become part of the European and Euro-Atlantic structures.

- ① Undoubtedly, the understanding of certain South-East European countries that national and regional security are undivided is acquiring increasingly visible practical dimensions; the care and responsibility for regional stability as a condition for national security is becoming a priority of their foreign policies. As a whole, however, the all-inclusive regional approach in Southeast Europe has not achieved maturity, bearing in mind that due to a host of old and new tensions, the very process of developing self-awareness as a regional community has been delayed.
  - ☞ One of the key factors in this respect has been the lack of political coherence and stability in the domestic development of the former communist countries in the region after the start of democratic changes. This has materialised in regional conflicts, minority problems, and volatility of the political reform process. Furthermore, the economic reform has gone through spectacular ups and downs, due to the wavering orientation to one market model or another (which has resulted in some cases in uncompromising austerity arrangements, e.g. the Currency Board in Bulgaria) and, to a lesser extent, to the new foreign policy priorities.
  - ☞ The second factor stemmed from the crisis in former Yugoslavia and the consequent focus on regional conflicts as a frame of reference for the West's strategy with respect to Southeast Europe. The attempts at bringing the situation under control and the resulting priority of military measures created a conceptual vacuum; the economic and social aspects of conflict resolution were largely ignored and no long-term investment strategy for the Region was developed. An extremely negative development in this context has been the inclusion in the negative (and traditionally so) perception of the Region of the new democracies which were not involved in the conflict, thus lowering their political and financial rating.
  - ☞ The beginning of regional awareness in Southeast Europe was marked by the conclusion of the peace agreements for Bosnia and Herzegovina, which brought with it the hope for a peaceful and rapid development of the entire

Region and encouraged the international community's greater attention and commitment. However, the destabilisation in Albania and the events of early 1997 in Bulgaria have suggested that if a direct positive effect is to be achieved, investing in the Region's security must be supported by real investment for economic and social development. This, in turn, has become the basis for the parameters of the Region's common interest in the context of an already declared desire for economic prosperity, good neighbourly relations, co-operation, and the balance of national interests.

② The review of regional initiatives in Southeast Europe, which are essentially a form of strengthening security in the area of 'soft borders', suggests the following conclusions regarding the present state and the future of the process of regional co-operation:

☞ While peripheral in terms of its impact on stability in the Region, the involvement of the South-East European countries in CEI and BSEC contributes to the formation of the necessary behavioural and cultural capital that characterises the new type of international relations based on shared interests and respect of sovereignty. The experience accumulated in dealing with the flexible network of channels and mechanisms within these initiatives helps the South-East European countries in giving shape to a politically distinct perception of their own region. The participation in these initiatives of a primarily economic orientation promotes the development of interregional co-operation, considering that their geographical boundaries are becoming increasingly loose (a number of BSEC countries are not on the Black Sea coast, and a number of CEI countries are far from the 'centre' of Europe).

☞ For their part, the subsequent initiatives for good neighbourliness, security, stability, and co-operation in Southeast Europe — the Royaumont Process, SECI, and the multilateral co-operation in the Balkans — have become oriented to the promotion of a broadly inclusive regional approach adaptive to the medium to long-term prospects of the various countries for approximation to, and integration into, the European Union and NATO. Their distinctive character derives from their explicit scope in terms of substantive instruments and their concentration on political measures for the purposes of capacity-building within the Region itself. This, in turn, is a direct reflection of the Region's specific recent history, which has channelled the post-Dayton dialogue towards overcoming the consequences of the Yugoslav

conflict, as well as the search for a new basis for co-operation in harmony with the countries' European orientation.

- ☞ One of the characteristics of the existing regional communities is the obvious overlapping of memberships and agendas between, on the one hand, the all-Balkan Process, Royaumont, and SECI, and BSEC, and CEI on the other. Thus, infrastructure development and cross-border co-operation are central to CEI, BSEC, the all-Balkan Process, SECI, and even, to a certain extent, Royaumont. It is therefore quite conceivable that, some time in the future, the various initiatives may join forces and work on a common scale. For example, the possible interaction between the all-Balkan Process and BSEC would provide the missing link between Southeast Europe and the Black Sea and Russia, while that with CEI, the link with Central Europe which could be described as a 'hallway' to the European Union.
- ☞ The progress and viability of the regional initiatives in Southeast Europe will depend both on the behaviour of the participating countries and on their will to see their regional co-operation transcend, with the support of the key external factors, the functions of post-conflict regulation and become a basis for the normalisation of the socio-economic cycle in the Region and its adaptation to the requirements of integrated Europe. The all-Balkan co-operation process, resumed at the Sofia Ministerial Conference, provides the Region with its internal impulses and dynamics; the Process is extremely valuable as it provides the framework for a natural identification of regional interests by the participants themselves. Its present state of development suggests that even in the event of a new crisis in the Region, such as the one evolving in Kosovo, the Process has sufficient capacity to address the problems and ensure the reintegration of Southeast Europe with the rest of the Continent.
- ☞ Almost all countries of the Region share the view that the institutionalisation of the regional co-operation would be premature at this stage. This also holds for the all-Balkan Process in view of the need for a more clear definition of its substantive scope. Moreover, the absence of permanent institutions does not as yet present any great obstacle to the implementation of specific projects. On the other hand, it would be unrealistic to expect that the process of multilateral co-operation in the Balkans could develop successfully in the long run without a system of common co-ordinating mechanisms and/or institutions similar to such arrangements for other European regions.

- ☞ Alongside the positive aspects of the co-operation in the Region, one should bear in mind that sometimes, in the economic field and, in particular, with regard to concrete regional projects, the reflex of rivalry — so characteristic of the regional subculture — becomes highly pronounced, especially so in the absence of alternatives. The relatively small scales of the countries in the Region make them potential competitors with regard to their strategic links with the larger regions; this, in turn, provokes political jealousy and not infrequently compromises the effectiveness of individual initiatives. One logical solution to this besetting problem should be the reliance on the new forms of political dialogue, such as the highest-level arrangements and the trilateral meetings.
  - ☞ Conceptually, the Region is becoming loosely subdivided into a western and an eastern part which, as a result of internal political and economic development, exhibit certain differences of capacity to engage in an active regional co-operation process. The distinction is further substantiated by the essential differences among the national entities and their varying levels of accession to broader structures, such as NATO and the European Union. A compensating positive factor in this respect is the active concern about the success of the regional initiatives on the part of those more advanced in the integration dialogue. This attitude is of course also motivated by the desire to prevent any resurgence of instability in the Region that might compromise the image of individual countries, as well as impair the effectiveness of the community as a whole.
- ③ Based on the review of the general and the specific in the orientation and scope of each initiative for good neighbourliness, security, stability, and co-operation, an assessment can be made of their present state of development but, also, of the prospects for their future interaction. Broadly, the separate initiatives can be summarised as follows:
- ☞ The Royaumont initiative comprises 28 countries as equal participants, including Yugoslavia with the qualification that this has no implications for its integration into the international organisations. Royaumont concentrates primarily on national reconciliation, human contacts, and the civil society, providing in the long run for a regional round table within the OSCE framework and EU economic assistance in the form of complementary measures.
  - ☞ The South-East European Co-operative Initiative (SECI) emphasises on enhancing the dynamics of economic co-operation in the fields, mainly, of in-

frastructure and the environment, and on the development of a favourable foreign investment climate. While it is open to a broad range of participants outside the Region, SECI excludes Yugoslavia at this stage and does not entail concrete commitments to the provision of fresh external finance.

- ☞ The all-Balkan Co-operation Process is all-inclusive and comprises as its main participants at high political level the 10 countries of Southeast Europe (while at this stage Croatia, Slovenia, and Bosnia and Herzegovina have preferred an observer status). The initiative came from the Region itself and is based on the understanding that it is for the countries of the Region to set their priorities of co-operation and seek common solutions to common problems. By comparison with the other initiatives, the all-Balkan Process covers a much broader spectrum of fields: good neighbourliness; the military and political aspects of security; transport, telecommunications, and energy infrastructure; trade and investment; cross-border co-operation; the environment; human contacts and cultural co-operation; and combating organised crime and terrorism. The Process builds upon and develops the traditions of multilateral co-operation in the Region and emphasises the link between this co-operation and its European and Euro-Atlantic integration.

The existence of several parallel initiatives for co-operation, good neighbourliness, and stability in Southeast Europe (Royaumont, SECI, the all-Balkan Process, the Macedonian initiative in the framework of Resolution A/50/L.43 of 1995 of the UN General Assembly, the Russian-Greek initiative) is due apparently to the play of various — sometimes diverging — political interests and the rivalry over the influence in the Region in the aftermath of the war in former Yugoslavia.

- ☞ The good intentions declared by the European Union and the United States to seek equality, effective interaction, subsidiarity, and harmony among these initiatives do not mean of course that the interaction among the three main ones at least is without any problems or that the competition and duplication among them has been avoided. On the contrary, it is obvious that the US and the EU, and also Russia, will not give up their respective influences in Southeast Europe but will try to increase them, often at the expense of each other.
- ☞ The question facing the political leaders in Southeast Europe is how to put the existing competition among the key international factors to the best use for the economic prosperity and political stability of their respective coun-

tries. It would be both impossible and unacceptable to insist on placing the various initiatives in a kind of hierarchy. Their proponents defend their autonomy and would not accept their official subordination to an overall Balkan co-operation framework.

However, what all of the initiatives have in common is the objective of lasting security, co-operation, and good neighbourliness in the Region, which has been best articulated and is most realistically attainable within the all-Balkan Process (the Sofia Declaration of 1996, the Thessaloniki Declaration of 1997, and the Istanbul Declaration of 1998).

- ☞ The latter is hardly surprising, as the Balkan countries, and no other, should be the main agents of the process. The value of the autonomous continuation of the process, recognised by the EU and the US, is in the chance it would give the Balkan countries to assert their sovereignty in setting the priorities and the priority projects of their co-operation for the development of the Region. The understanding should prevail that the nations of Southeast Europe, by virtue of their common history, geographic proximity, and cultural interdependence, are best placed to determine the spheres of mutual convergence without prejudice to the common interests of European security and co-operation.
- ☞ At the same time, it is also clear that the Balkan process would only benefit from external impulses and the responsible involvement of influential external factors (Royaumont and SECI would be the most appropriate vehicles).
- ☞ Thus, there are two scenarios for the future development of the three main initiatives: (i) autonomous operation and institutionalisation in the context of the so called 'horizontal co-ordination' among them; or (ii) the evolution of Royaumont and SECI into external 'pillars' of the all-Balkan Process.

Conceptually, the second alternative offers the optimum configuration for regional co-operation in Southeast Europe (internally generated projects enjoying sound external support). At the same time, one could safely assume that it is this second alternative which best corresponds to the long-term EU and US interests in the Region; it would hardly be in their interest to indulge in a protracted and costly 'patronage' of the Region. More likely, they would prefer the fastest possible maturity of the mechanisms for autonomous Balkan co-operation, which would allow them eventually to step down from the position of



peacekeepers and assume the far safer, as well as more advantageous, position of friendly partners.

That being said, however, what seems most realistic at this stage is the combination of the alternatives by the official adoption of the first one, i.e., the autonomous coexistence and the co-ordination of the initiatives, while in practice achieving results that would bring them closer to the alternative set-up of a single all-embracing Balkan process with Royaumont and SECI as its external pillars.