The dismemberment of Yugoslavia and the European Union

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Abstract

It is argued that the European Union did not perform well in the former Yugoslavia. This paper addresses the issue whether the EU should have opted for a different course, given the complex nature of the conflict that tore apart the nations inhabiting the former Yugoslavia. In order to understand the conflict what has to be taken into account are historical, political, economic and social factors. Being an international organisation of sovereign states, it was not easy for the EU to intervene in Yugoslavia and to stop the civil war. The European Political Co-operation process failed to reach the objectives the EU had set out, while the Common Foreign and Security Policy had yet to be devised. It could be asked whether the EU had been better equipped for dealing with international conflicts since the ratification of the Treaty of Amsterdam? The Treaty of Amsterdam reinforces the decision-making procedures and structures, but does not address the defence issues properly. While the situation in the former Yugoslavia remains precarious, the future response of the EU may depend on the way its internal decision-making process is reformed. In the former Yugoslavia the EU's role as a civil power may become more important.

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1. Introduction

At the end of the cold war the explosive situation in the Balkans came into the limelight. Europe had to face the consequences of World War I, which remained hidden for about fifty years as a result of the Cold War and the ideological conflict between the US and the USSR that followed. In *A History of Warfare* John Keegan writes that the resurgent nationalism of the peoples of the Balkans finds expression in war-making of a particularly abhorrent kind. Contrary to what happened in the past, however, these wars do not provoke anymore the threat of sponsorship by great-power patrons. Outside powers now feel the urge to intervene in the cause of peace-making. However 'such conflicts defy efforts at mediation from outside, since they are fed by passions and rancour that do not yield to rational measures of persuasion or control' (Keegan, 1994, p. 58). Events in the former Yugoslavia are there to prove the truth of this: a quarter of a million casualties; more than 3 million refugees; countless homes and villages burned; lives and families broken; nations destroyed. Even today there is no end in sight for the conflict in Bosnia and Kosovo. NATO and UN peacekeepers are at the mercy of criminal gangs. Does this mean that international organisations like the European Union have no role to play in the Balkans conflict whatsoever? Before we deal with the EU policy regarding the former Yugoslavia we should first try to answer two other questions. First: how complicated was the situation in Yugoslavia? Second: was the EU sufficiently equipped for a task of what can be called *coercive diplomacy*?

In the discussion below we will first deal with the history of Yugoslavia. Section 3 describes the wars in Croatia and Bosnia-Herzegovina. In section 4 we will deal with the European Political Co-operation Process. In section 5 we will enquire into the way the EU dealt with the crisis in the former Yugoslavia. Section 6 focuses on the part played by the United States in the civil war and on the Dayton Peace Agreement. In section 7 we will describe the crisis in Kosovo. In section 8 we try to evaluate the EU Common Foreign and Security Policy. In section 9 we will pay attention to the economic situation in the former Yugoslavia. Section 10 focuses on the economic aid provided to the former Yugoslavia by the EU. In section 11 we attempt to predict the future evolution in each of the republics of the former Yugoslavia. In the final section we will try to formulate some relevant conclusions.

2. Independent Yugoslavia

In order to understand the conflict in the former Yugoslavia we have to go back in time. As a result of Russian diplomatic efforts Serbia, part of the Ottoman Empire, became semi-independent in 1830 (Treaty of Adrianopel). In 1878 it was granted full independence after Russia had defeated the Ottomans in Bulgaria (Treaty of Berlin) (Faucompret, 1998, p. 48). But Serbia was not satisfied with its borders. In 1912 it created The League of Balkans Nations with Greece and Bulgaria. The League declared war on the Ottoman Empire (Faucompret, 1998, p. 51). The decrepit Ottoman Empire was easily defeated. Macedonia had to be divided by the three members of the League (Treaty of London). But Bulgaria rejected Russian arbitration. Therefore Serbia, Rumania and Greece declared war on Bulgaria. Bulgaria lost the

war and parts of Macedonia were annexed by Greece and Serbia (Treaty of Bucharest). Serbia also conquered Kosovo. But Austria wanted to stem Serbian expansionism: the Treaty of Bucharest established an independent Albania. Serbia was still cut off from the Adriatic Sea. For this reason it became even more urgent to support the Bosnian Serb independence movement in Bosnia-Herzegovina. In 1907 Austria-Hungary had annexed Bosnia-Herzegovina thus contravening the Treaty of Berlin. Serbian nationalists reacted furiously, but Serbia was only diplomatically supported by Russia, not by Russia's allies, France and the United Kingdom. Serbia and the Bosnian Serbs in Bosnia-Herzegovina took matters in their own hands. A Bosnian Serb terrorist group 'Young Bosnia' was supported by a group of officers in the Serb army called 'Black Hand'. On 28 June 1914 Gavrilo Prinzip, the leader of the Bosnian Serb terrorists, assassinated the heir to the throne of Austria, Franz Ferdinand. This was the precipitating cause for the outbreak of World War I.

History burdens the relations among the different nations in the former Yugoslavia. As long as Yugoslavia was a buffer state, it fulfilled a purpose for the outside world. This was the case after both World Wars. But with the end of the Cold War, the world did not care for Yugoslavia anymore. After World War II Yugoslavia saw the light because the Slovenians and the Croats feared annexation by Italy. In 1918 the kingdom of the Slovenians, Croats and Serbs was officially declared but it was an artificial entity. It was made up of Slovenia, Croatia, Serbia (including Kosovo), Macedonia, Montenegro and Bosnia-Herzegovina. When the Habsburg Empire was officially liquidated at the Paris Peace Conference one year later, Yugoslavia was one of the so called 'grave diggers'. It was a buffer state between the defeated but vengeful Germany and the newly established Soviet Union, which was isolated from the rest of Europe by the big powers. Yugoslavia joined the so-called 'Small Entente' (with Rumania and Czechoslovakia) and with the other member states of the Entente signed a Security Treaty with France. In 1924 king Alexander I seized power and Yugoslavia became an authoritarian state like the rest of the Central- and Eastern European countries (with the exception of Czechoslovakia). Because of the weak western reaction after the invasion of the Rhineland by the troops of Nazi-Germany, it did not put trust in its alliance with France any longer, and in 1937 it signed a security and friendship treaty with Italy.

In World War II part of Yugoslavia was annexed by Nazi Germany and Fascist Italy and their allies Albania and Bulgaria. Croatia was a German satellite state ruled by Ante Pavelic and his Oustachi regime. In the infamous concentration camp of Jasenovac (*the Croatian Auswitz*) thousands of Serbs, gypsies and Jews were exterminated (Faucompret, 1996, p. 151). There was also a notorious Croatian-Muslim SS unit active in Bosnia-Herzegovina taking on the Bosnian Serbs, the *Handzar division*. But the Croatian fascists had to cope with a ferocious resistance movement made up of Serbs and Muslims, the Dagger Brigade. Serbia was ruled by a government that collaborated with Germany but its territory was never completely occupied by the Germans. There were two resistance movements: the Tchechniks, nationalists led by the exiled king Peter, and the communist Partisans led by Josif Brosz, code name Tito. Because of the numerous feuds existing within the Tchechnik movement and because of the valour displayed by the Partisans, Winston Churchill decided to give his complete support to Tito. The latter promised to hold a referendum on the restoration of the monarchy after the war, a promise that was never kept. Yugoslavia owed its liberation to Tito: it had never been occupied by the Red Army.

After World War II the new masters of the world, Roosevelt, Churchill and Stalin, were ready to restore the territorial integrity of Yugoslavia. Tito became its president and its undisputed communist leader. The two superpowers established a bipolar system: if their were uprisings in their respective zones of influence, the other side was not going to intervene. In this construction Yugoslavia again became a buffer state: this time between the communist east and the capitalist west.

In the economic field Tito at first opted for a communist Soviet-style planning economy. A first five year plan was launched in 1945. The Yugoslav constitution nationalised all industrial, commercial and financial enterprises, limited individual landholdings to 60 acres and organised the surplus agricultural land into collective farms (Calvocoressi, 2001, p. 333). Prices were imposed by government authorities. But eight years later Tito backtracked by adding specific accents of its own to the economic model. Collectivisation was abandoned in the countryside. Workers management was introduced in the firms: workers could decide on how to allocate investments and how to distribute profits. A new constitution introduced some real but limited decentralisation. In the domestic political field Yugoslavia was a hard line totalitarian dictatorship. Ultimate power resided with the Communist Party and with Tito himself. Dissident movements like those in Hungary, Poland or Czechoslovakia were nipped in the bud. All dissent was crushed before it could reach the fore. Tito, a clever politician, he played off one faction in the party against the other. When the progressive Milovan Djilas got too much power, he was imprisoned. When the sinister police chief Alexander Rankovic started to pursue his own objectives, he was dismissed (Calvocoressi, 2001, p. 336).

Tito's main concern was the cohesion within Yugoslavia and the creation of a Yugoslav identity. He adhered to the Marxist-Leninist view that in the long run nations tended to disappear. Social classes and the communist state were to create welfare for everybody (Van Den Heuvel, 1999, p. 558). Though in the Communist Party and the army there was an ethnically diverse leadership, Tito never succeeded in eliminating separatist tendencies. There were national and religious differences. The North Slavic nations had been converted by Rome and had experienced the Renaissance and the Reformation. The South Slavic nations had been ruled in an authoritarian way by the Eastern Empire. Serbs, Montenegrins and Slav Macedonians were orthodox Christians; Croats were Roman Catholics; Bosnians and Albanian Macedonians were Muslims. While Croatia and Slovenia prospered, the other four republics were economically backward. Affluent Croatians and Slovenians never felt at ease with Serbs, who in their views were lazy loiterers plundering the country. Tito feared that the Serbs wanted to dominate his country so he tried to reduce their power. First he encouraged the different nations living in Yugoslavia to scatter all over the country; then he simply forced them to leave their villages (Faucompret, 1996, p. 152). But this policy was vehemently criticised by the rest of the world and Tito needed financial aid from the west.

In 1971 Tito opted for a new strategy to rule the country. A Presidential Council was established: it was made up of two delegates from each of the six republics and one from the Serbian autonomous regions Vojvodina and Kosovo. For the first time in Yugoslav history, the Bosnian Muslims became a separate ethnic minority (the oil rich Arab world was very grateful for this). Tito himself remained permanent federal president. (After his death the presidency was to rotate). Alhough the Serbs were

over-represented in all official institutions, they were not satisfied with this evolution. Twenty-four percent of the ethnic Serbs lived outside Serbia. These ethnic Serbs felt being discriminated against by majorities in the other republics and by the Albanians in Kosovo. Tensions grew worse in the seventies when the wartime unity was receding and the economic crisis exacerbated the tensions. The 1973 oil crisis particularly hit the Serbian economy. Many Serbian *guest workers* had to return home because there were no longer jobs available for them in Western Europe (Calvocoressi, 2001, p. 337).

In the field of foreign policy Yugoslavia was quite unique. Tito did not want to commit himself either to the US or to the USSR. With Castro and Zhou Enlai he became one of the leaders of the so-called Non Aligned Nations, who opted for *a third way*. To consolidate his domestic position and to uphold his international prestige Tito criticised both the US and the USSR. In 1948 the Cominform[1] called on the Yugoslav Communist Party either to change its leadership or to make the leaders change their policies. Stalin did not like several aspects of Tito's policy. The Yugoslav leader supported a so-called Balkan federation, encompassing Soviet allies like Rumania and Bulgaria, thus jeopardising the Soviet position in Central and Eastern Europe. The USSR also rejected Tito's alternative economic *revisionist* model, for it deviated from orthodox Marxist-Leninist dogmatism. As a result of the ideological divide the Yugoslav Communist Party severed relations with Moscow. In the years 1949-1950 it was feared that the Red Army might invade Yugoslavia. The US was not slow in reacting: Yugoslavia – though in the domestic political field one of the worst communist dictatorships – became her semi-official ally in Eastern Europe. Washington turned a blind eye to the domestic repression. The US promised military help in case of a Russian assault and it modernised the Yugoslav military forces. Troops were trained by American officers. The west even allowed Yugoslavia to become a (non-permanent) member of the Security Council. The US and other western countries supplied economic aid to Yugoslavia. Bilateral trade agreements were signed between Yugoslavia and respectively the United Kingdom and Italy. Tito received generous aid from the international financial institutions, which were dominated by the US. But the policy of the IMF and the IBRD had dire consequences: inflation soared and Yugoslavia became heavily indebted to the west. Thanks to the US, Stalin did not succeed in removing Tito from power. Stalin's successor, Khrushchev, realised how futile the attempt had been to oust Tito. He restored relations with Yugoslavia in 1955. In the ideological conflict with Albania and China, Moscow supported the Yugoslav point of view.

3. War in Croatia and Bosnia-Herzegovina

In 1984 Slobodan Milosevic became chairman of the Belgrade Communist Party. Three years later he chaired the Serbian communist Party, thereby putting aside his mentor Ivan Stambolic. He realised that socialism was dying. To seize power, he fomented the new ideology of ethnic nationalism. He was a master of propaganda and used Serbia's captive media to promote his cause and that of Greater-Serbia. Milosevic canalised the Serb distrust against the other republics. He orchestrated mass demonstrations and put his cronies in leading positions. "No one will beat you again", he famously told Serbs in Kosovo in 1987 and the Serb crowds cheered loudly

[1] Communist Information Bureau, successor of the Comintern.

(Meyer, 2001, p. 18). Two years later Milosevic was sworn in as president of Serbia. One of his first official acts was abolishing the special autonomous status of Kosovo and Vojvodina. He made it crystal clear that he would not shun violence to reach his aims. Again the majority of the Serbs welcomed this decision with enthusiasm. Milosevic blocked the ascendancy to the presidency of the Croat Mesic (Calvocoressi, 2001, p. 339). He played on Serbian nationalist feelings and on the bad economic situation. He armed and encouraged the ethnic Serbs in Croatia and Bosnia who longed for reunion with Serbia.

Federal prime minister Ante Markovic was supported by the Federal Communist League. He had carried out far reaching economic reforms. The dinar had become a convertible currency. Commercial banks and a stock exchange had been set up. Due to a strict monetary policy, the rate of inflation had fallen from 2,000 percent to zero (Calvocoressi, 2001, p. 338). But the price to pay was too high: unemployment soared and many state led firms (especially in Serbia) went bankrupt, while the Serbian population was desperate. Yugoslavia defaulted on its foreign debt service. While Croatia and Slovenia welcomed the reforms and were ready to accept the negative consequences, Milosevic was opposed to the restructuring of the Serbian economy. In a speech commemorating the six hundredth anniversary of the Serbian defeat in Kosovo the Serbian president announced the end of the then existing Yugoslavia. The Federal Communist League collapsed. Milosevic wanted the pace of democratisation and of reform to be determined by Serbia. The other republics had but two options. Either they could receive more autonomy within a federalised Yugoslavia, but then they had to accept the authority of Serbia, or they could become independent, but then they had to cede areas that were mainly inhabited by ethnic Serbs. Milosevic was supported by the Orthodox Church and by the Yugoslav Federal army. In June 1991 both Slovenia and Croatia rejected any modification to the federation proposed by Serbia; subsequently they declared their independence. The Serbs in Krajina and Eastern Slavonia did not want to sever relations with Serbia and they issued their own declaration of independence. The Yugoslav government sent federal forces into both Slovenia and Croatia. The war in Slovenia lasted only a couple of days because Serbia just wanted to retrace the border. There were no ethnic Serbs living in Slovenia and no Serbian interests to defend.

But the war in Croatia was a different matter. Among the 4 million Croats, there were 650,000 ethnic Serbs living throughout the country but especially concentrated in border areas. Serbia wanted ‘to liberate’ the ethnic Serbs but Croatia did not want to give up Eastern Slavonia and the Krajina. The ethnic Serbs on the other hand welcomed the Serbian intervention for they did not trust the Croatian president Franco Tudjman and they loathed his extreme right wing doctrine. The following war was particularly bloody: Vukovar was entirely destroyed by the Serbian army. The Croatian offensives against the Krajina put thousands of ethnic Serbs to fly. Eventually the federal Yugoslav army won control over one third of Croatian territory.

The war in Bosnia-Herzegovina (1992-1995) was even more gruesome than the previous one. Bosnia was inhabited by 4.7 million people: 40 percent called themselves Muslim; 32 percent were Serbs; 17 percent were Croats. The Muslims in Bosnia-Herzegovina were led by president Alija Izetbegovic and wanted Bosnia to become an independent state. They feared that Croatia and Serbia wanted to divide

the Bosnian territory among themselves. In order to forestall this development, Izetbegovic organised a referendum on independence (March 1992). Though the referendum was boycotted by the Bosnian Serbs, one month later Bosnia-Herzegovina declared itself independent. This evoked a declaration of independence by the Bosnian Serbs, led by two of Milosevic's henchmen, the sinister Radovan Karadzic and his military counterpart, general Radko Mladic. The three ethnic groups declared war on each other. The Serbian army came to the aid of its brethren while the Muslims were hurt by the arms embargo imposed by the UN in 1991 on all regions of Yugoslavia. Serbian aggression sparked a conflict that engulfed Bosnia in chaos and genocide. There were 200,000 casualties and more than a million refugees. The majority of the victims of ethnic cleansing and of the prisoners in the concentration camps were Muslim. Was the European Union going to react to this outburst of violence on her doorstep?

4. The European Political Co-operation

The European project was essentially an economic one, though right from the start the founding fathers of the European Community had political objectives on their minds. Their main aim was to make a new war between Germany and France impossible and to put the French and German coal and iron deposits under a supranational authority. The history of the European Political Co-operation goes back a long way. In 1950 the French Defence Minister René Pleven, launched a plan for a European army to be set up by the six European Coal and Steel Community (ECSC) Member States, as an alternative for an independent German army and for Germany becoming a full member of NATO. A European Defence Community and a European Political Community were to be established with independent institutions similar to the ones that were set up by the ECSC Treaty. Unfortunately the EDC and EPC treaties never came into effect because they were not ratified by the Italian and the French Parliaments (Faucompret, 1998, p. 65).

Ten years later France came up with a new plan. Christian Fouchet, adviser to president de Gaulle, launched a proposal for regular meetings of the Foreign Ministers of the six Member States of the European Economic Community (EEC). A working party was set up which had to finalise this plan, but the Belgian and Dutch representatives were opposed to it. They feared France wanted to dismantle the two supranational institutions of the EEC, the European Commission and the European Parliament. Moreover by means of this plan, France tried to obstruct Britain's entry into the European Community. In January 1962 the Fouchet plan was rejected. European Political Co-operation would have to wait for another decade to see the light. In 1969, de Gaulle dropped out of the picture. The new French president, George Pompidou, was a pragmatist. He found a congenial spirit in Willy Brandt, the new German Federal Chancellor who attached great value to the Western European integration process. A common Franco-German initiative led to the Conference of The Hague in December 1969, where the decision was taken to enlarge, to complete and to deepen the European integration process. The Conference ended up with a *quid pro quo*. Benelux gave up its resistance against the European Political Co-operation process in exchange for the French commitment not to obstruct the British application for EEC membership any more. The EPC process was organised outside the legal framework of the treaties through the three successive reports of Luxembourg (1970); Copenhagen (1973) and London (1981) (Faucompret, 1998, p. 66).

EPC was a typical intergovernmental machinery (Faucompret, 1998, p. 68; S. Nuttall, 1997, p. 19). There was no official role to play for the EEC institutions: Council of Ministers, European Commission, European Parliament and European Court of Justice. The Member States only committed themselves to co-ordinating their foreign policies and - if the need existed – to searching for a common solution. If they could not come to an agreement within a reasonable time, they were allowed to take national actions. There were regular consultations among the Foreign Ministers and the Political Directors of the Member States respectively. The Foreign Ministries hosted a European correspondent. Every six months the chairmanship rotated from Member State to Member State in alphabetical order. A 'Troika' formed by the chairman, his predecessor and his successor went into action if mediation in conflict areas was necessary. Different working parties were formed. An electronic data processing (COREU) system was set up to exchange information rapidly. There was co-operation among the Member States in embassies and within the international organisations. In case of an international crisis, the Ministers could be summoned within 48 hours. EPC could not deal with questions of security or defence. Until 1986 there was no EPC Secretariat, though the idea had already started to circulate in the early sixties with the discussions on the Fouchet Plan. At Benelux insistence no mention was made of it at the birth of EPC in 1970. The issue of the EPC Secretariat has always been closely linked to the attempt to create a French inspired inter-governmental Europe as opposed to the supranational Europe the Benelux countries had in mind. With the ratification of the Single European Act (SEA) the Benelux countries gave up their resistance against the EPC Secretariat. When the SEA took force (1 July 1987) it became possible to achieve the finalisation of the EPC in a legal act (Bonvicini, 1988, p. 51). EPC was designed to co-ordinate foreign policies but it fell victim to its own success as the outside world expected more than it could deliver. In the seventies and eighties EPC produced resolutions on *inter alia* the declaration of martial law in Poland, the invasion of Afghanistan, the invasion of the Falklands, the situation in the Middle East ('declaratory diplomacy'). There was an interesting link between EPC and the European Community, e.g. when sanctions were imposed against Poland, the Soviet Union and Argentina. The EPC created a whole new generation of diplomats that took the European dimension of national foreign policy for granted (Nuttall, 1997, p. 38). Positions were adjusted in order to take into account those of European partners. Moreover, an extensive foreign policy machinery had been built up.

At the end of the eighties and at the beginning of the nineties, political events of major importance caught the EC by surprise. The collapse of communism in Central and Eastern Europe, the disappearance of the Soviet Union, the reunification of Germany, the invasion of Kuwait, all these events took place over the heads of EU Foreign Ministers. Because the EU seemed to be of no particular importance on the scene of world politics, it realised that it had to adapt its structures to the new geopolitical situation in Europe and in the world. EPC's failure to hold a united position in the Gulf crisis combined with the fear of a US withdrawal from Europe provided a strong incentive to envisage once again an autonomous European defence capability (de Schoutheete de Tervarent, 1997, p. 22-23). This formed the background of the foreign policy discussions in the Intergovernmental Conference that led to the First Treaty on the European Union (commonly known as the Treaty of Maastricht).

The failure of the EU to bring an end to the violence in Yugoslavia added an important element to the discussions.

5. EPC and Yugoslavia

During the early period of the Yugoslav crisis, the EU Member States were preoccupied with negotiating the Maastricht Treaty and later on with its ratification. This complicated their co-operation within the framework defined by the EPC. But when fighting broke out in Yugoslavia, the EU foreign ministers made no secret of their ambition to intervene as mediators in Yugoslavia. This had to become – to paraphrase Winston Churchill's historic words – 'Europe's finest hour'. The Americans should not be brought in: this was a crisis occurring in Europe's backyard where it had high interests at stake. The EU wanted to send an important signal that America did not play the leadership role any more in European security affairs. The Foreign Minister of Luxembourg, acting as the president of the Council of Ministers, said in this respect: "If one problem can be solved by the Europeans, it is the Yugoslav problem. This is a European country and it is not up to the Americans and not up to anybody else" (cited in Soetendorp, 1999, p. 128). His words were echoed by Jacques Delors, president of the European Commission: "We do not interfere in American affairs. We hope that they will have enough respect not to interfere in ours" (cited in Soetendorp, 1999, p. 128). The EU found a kindred spirit in the American president Bill Clinton, who favoured regional peacemaking efforts. Russia had to deal with her 'Near Abroad', African peacekeepers had to deal with neighbouring African countries, the EU had to deal with the Balkans. The Americans would only intervene in the last resort and provide logistical and financial aid wherever necessary.

In Yugoslavia the EU tried to achieve several objectives at the same time. First and foremost it wanted to keep intact the integrity of the Yugoslav state. It feared opening Pandora's Box in the Balkans if it allowed certain regions to secede. A lot of frustrated ethnic minorities were living in countries ruled by majorities. Hungarians lived in Slovakia, Rumania and Serbia. Albanians were spread all over the region: in Kosovo, in Montenegro and in Macedonia. What if ethnic Hungarians wanted to join Hungary or ethnic Albanians wanted to join Albania? The EU supported Milosevic's proposals for the restructuring of the Yugoslav federation within its existing borders. The EU – as a civil superpower - opted for 'conference diplomacy', threatened to deny economic aid to the aggressors and promised economic aid to those who were ready to co-operate. As the Luxembourg Foreign minister put it: "Yugoslavia could have expectations with respect to its association with the Community if its territorial unity and integrity are safeguarded. Any other attitude could jeopardise international frontiers in Europe". According to the Italian Foreign Minister, "any Croatian or Slovenian possible EC membership would receive a cold welcome by the European Community if they went ahead with their plans for independence" (Edwards, 1997, p. 175).

When the war broke out in Croatia, the EU tried to contain the conflict: it did not want the violence to spill over into neighbouring regions and countries. Western-Europeans knew by experience that passions could easily run high in the Balkans. In the end Greece and Turkey, two NATO allies, might get dragged into the conflict. Containment did not work: the EU could not prevent the war from breaking out in Bosnia. The EPC came under pressure because there were differences of mind among

Member States. For the UK, the EU was not yet ready for a Common Foreign and Security Policy (CFSP) in a region as complex as the Balkans. In addition the lessons of the Gulf War had to be taken into account. Only the US had been able to drive the Iraqi army out of Kuwait. The Europeans simply lacked the military capacities for doing the same (Edwards, 1997, p. 175). France, Italy, Germany and other Member States did not agree. In fact, if the EU wanted to be taken seriously as an international actor, it had to deal with the crisis in Yugoslavia. But these EU Member States did not see things eye to eye as to the way to proceed further. France had an historic alliance with Serbia. Moreover, as a centralised and Jacobean state, it was very much attached to keeping intact existing states. France could only agree on Slovenian and Croatian independence if these processes were to take place in a peaceful and in a democratic way (Thorel, 2000, p. 54). It strongly believed in the need for arbitration: the conflict was legal in nature. Italy supported France: it had a very close working relationship with the Yugoslav government. The Netherlands, holding the presidency of the Council, took a different view: the conflict was political in nature, so it was vital for peace to be restored by a peace conference.

German politicians were very much influenced by their public opinion (Thorel, 2000, p. 59). Germany itself had been reunited a few months earlier and for the Germans it was a moral duty to help nations that had shaken off the yoke of communism. German intellectuals despised Milosevic and his Stalinist methods. Germany was Croatia's first trading partner. A lot of ethnic Croatians lived on German soil. Moreover it was in Germany's interest to maintain a preponderant influence in the Balkans. Since its reunification Germany was no longer a political dwarf with giant economic feet. Some Member States favoured an early action by the UN (The Netherlands, Belgium, France and Italy), on condition that the warring factions could agree on a cease-fire. France wanted the Western European Union (WEU) to act, but no other single Member-State was ready to commit troops to that organisation. The UK was very much opposed to the idea itself of sending troops. Bearing Ulster in mind, it knew it was very difficult to pull out troops once they were in. Germany, because of its Basic Law, that prohibited sending troops out of the NATO area, remained absent from these discussions.

For the EU, it was difficult to reconcile the conflicting points of view of its Member States. In the first stage of the Servo-Croat conflict an arms embargo was imposed on all the Yugoslav republics (European Council of Luxembourg, June 1991). All financial aid programmes were frozen. At the same time the EU tried to push forward some kind of peace process (Calvocoressi, 2001, p. 341-343). It sent in its traditional Troika of EU foreign ministers. It pressed hard for the acceptance of Mesic as Yugoslav president, for the withdrawal of the armed forces and for the freezing of the Croatian and Slovenian declarations of independence during a three months period. In July 1991 the Troika succeeded in bringing about the Brioni Agreement that made a cease-fire possible between Slovenia and the Belgrade government. The EU committed itself to dispatching observers to monitor the cease-fire. The European Community Monitoring Mission (ECMM) was sent to each of the six republics but all it could do was reporting on the regular violations of the cease-fire.

In August 1991 the Troika was abolished and replaced by a single EU negotiator, first the Britons Lord Carrington and Lord Owen, later the Swede Carl Bildt. Largely at EU insistence, the UN Security Council decreed a general arms embargo against all

Yugoslav republics. In September 1991 the Dutch presidency organised the 'International Conference on the Former Yugoslavia' in The Hague in the hope that the conference would inspire a cease-fire. For the first time since the outbreak of violence the representatives of the different Yugoslav republics met. Three working groups were set up under European Commission chairmanship, on the constitutional future of Yugoslavia, the question of minorities, and on economic relations between the republics (Edwards, 1997, p. 175-176). An Arbitration Commission led by Robert Badinter was to inquire into the legal aspects of the conflict. The EU submitted several peace proposals. It wanted the parties to agree on the future borders between the different republics and on the rights to be accorded to minorities. But for Serbia the proposed autonomy did not go far enough. Serbia tabled a plan that would include the Serb regions in Croatia into Serbia, but this plan was rejected by Croatia. The conference could not prevent new fighting. In November 1991 the UN Security Council decided to embark on a peacekeeping mission: Cyrus Vance was sent to Bosnia as his special envoy. The EU mediator decided to co-operate with the UN mediator.

When it became clear that neither of the parties was going to give in on any of their demands, the EU changed tactics. In December 1991, the EU declared itself ready to recognise Croatian and Slovenian independence provided certain conditions were met (the constitution had to safeguard rights of minorities; border disputes had to be settled peacefully; the government had to control the whole of the territory, …). According to the Badinter Arbitration Commission, it was evident that Croatia did not meet several of these criteria (Thorel, 2000, p. 61-62). But on 23 December 1991 Germany broke EU ranks by recognising unilaterally both republics. In view of the unsavoury past Germany and Croatia shared, this decision could hardly allay Serb fears about the impartiality of the EU. The other Member States followed suit on 15 January 1992: in the hope of preventing the war from spreading into neighbouring Bosnia they all recognised Slovenia and Croatia. At the same time the trade embargo against the two new states and against Macedonia was lifted, while that on Serbia remained intact. From then on Serbia refused to co-operate with EU negotiators. In April 1992 Bosnia was accorded international recognition. But the EU did not want to send a peacekeeping force that was asked for by president Alija Izetbegovic. This decision was criticised by human rights activists: in accordance with the UN Charter internationally recognised states are entitled to individual and collective self- defence (Faucompret, 1996, p. 155). Under Greek pressure Macedonia was not recognised despite its meeting the criteria set forward by the Commission. (It would have to wait until April 1993 before 11 out of the 12 Member States were ready to establish diplomatic relations.) In August 1992 the EU and the UN co-hosted a new international peace conference in London. Out of it resulted the Vance-Owen negotiations, which eventually led to the peace plan of January 1993. But the plan – that would have divided Bosnia into ten provinces – was rejected by the Serbs.

On 30 May 1992 the Security Council, acting under Chapter 7 of the UN Charter, enlarged sanctions against Yugoslavia (Serbia and Montenegro), while the arms embargo (against all former Yugoslav republics) remained in force. Resolution 757 not only prohibited imports from and exports to Yugoslavia but also banned foreign financial assistance to enterprises in Yugoslavia, cut off the Yugoslav air links to the rest of the world, and severed scientific, technical and cultural co-operation and sporting exchanges with Yugoslavia. Food and medical supplies were exempted from

the trade embargo (Faucompret, 1996, p. 155). A special committee, already established to monitor the arms embargo, had to oversee the implementation of the economic sanctions. Over the next three-and-a-half years the UN modulated the economic sanctions programme against Yugoslavia to force Milosevic to end the war in Bosnia. When the economic sanctions proved porous the Security Council tried to prevent shipments of strategic goods through the territory of Yugoslavia. NATO and WEU forces tried to monitor the Yugoslav borders and the Adriatic Sea to minimise sanctions evasion (Wouters and Naert, 1999, p. 101).

Mainly under EU pressure, in the spring of 1992, the Security Council sent a United Nations Protection Force (UNPROFOR) to both Croatia and Bosnia, and a United Nations Preventive Deployment Force (UNPDF) to Macedonia. NATO provided UNPROFOR and UNPDF with the command and the personnel (Wouters and Naert, 1999, p. 100-102). UNPROFOR's main mission consisted in protecting the aid agencies as well as the refugees. It was thought that the mere presence of UNPROFOR and UNPDF would calm down nationalist feelings and that their humanitarian purposes would raise respect for their missions. Whereas UNPDF was able to keep the two Macedonian communities from each other's throats, this was unfortunately not the case in Bosnia.

All EU Member States supported the UN plan to create a 'no fly zone' over Bosnia to be controlled by NATO (October 1992). The European Council of Edinburgh (December 1992) set up a formal investigation into 'ethnic cleansing', concentration camps and other atrocities in Bosnia. The EU pressed hard at the UN for the establishment first of an Investigation Committee then later, largely under French initiative, of a War Crimes Tribunal in The Hague (17 November 1993). At EU insistence, the UN decided to create six 'safe areas' on Bosnian territory, isolated from the violence of the war: Bihac, Goradze, Serajevo, Srbrenica, Tuzcla, Zeja (May 1993). The EU tried to relieve the plight of the refugees in these 'safe heavens', who were desperately in need of food and medicines. Because relief workers were hindered in their efforts by the Serbian military and paramilitary units, they could barely reach those that needed most their services. As a result the mandate of UNPROFOR was reformulated. It was no longer a traditional peacekeeping force set up in agreement with the parties concerned under Chapter 6 of the UN Charter, but it would be able to enhance its decisions by force (Wouters and Naert, 1999, p. 99). Unfortunately, it was not well equipped for the job of peacemaking. This made EU Member States France, the UK, Belgium, The Netherlands, Spain and Portugal - as the main contributors to UNPROFOR - particularly wary as to the further development of peace initiatives.

In April 1993 the Security Council tightened the sanction regime by freezing the Yugoslav financial assets and overseas property and by extending the sanctions regime to the Bosnian areas controlled by the Bosnian Serbs. Observers agree that in the years 1992-1993 the sanctions did not significantly influence the behaviour of the Serbian government. The Serbian people blamed the west for their deteriorating social and economic sanction. In December 1992, Yugoslav voters chose Slobodan Milosevic over Milan Panic, who had promised a change of policy that could have led to the end of sanctions.

6. Enter the US

The new American president, Bill Clinton, favoured a more interventionist policy in Bosnia than his predecessor, George Bush (January 1993). As far as American foreign policy was concerned Clinton was an idealist. After the collapse of communism, America was the only remaining superpower in the world. This burdened her with heavy responsibilities. The US had a moral duty to intervene abroad whenever human rights were violated. Peace in the Balkans was necessary, both for the security in Western Europe, America's closest ally, and for the protection of the fledgling democracies in Eastern and Central Europe (Faucompret, 1996, p. 159). The American president did not like the neutral stance adopted by the EU vis-à-vis the warring factions in Bosnia. In his view the EU hid behind the UN - that had to support any NATO action - in order to protect its UNPROFOR forces. For Clinton the matter was obvious: the Muslims were the injured party and the Serbs were the aggressors. Clinton was under pressure from the American Congress, that wanted the UN arms embargo to be lifted in favour of the Muslims. In line with his philosophy, Clinton encouraged the Croats and the Muslims to create a federal state. He tried to revive the ailing 'International Conference on the Former Yugoslavia'. In November 1993 he gave all his support to the new Franco-German peace plan, which allowed for the establishment of a loose confederation among the different republics and a military and territorial agreement. He encouraged the establishment of the Contact Group of Five (US, UK, France, Germany and Russia), which was replacing the EU in dealing with the conflict. But at the same time the US did not want to send ground troops to Bosnia. The active EU involvement in the Yugoslav crisis came to a halt. All the EU could do was to urge the parties to exercise moderate use of force in their military campaigns.

Initially the Contact Group did not perform well either. Like the EU it was internally divided: Russia being the only member defending Serbia in the name of Pan-Slavic unity and in the name of anti-western feelings because of the expansion of NATO. At first France opposed any NATO involvement in the Bosnia war because of its special position in the Atlantic Alliance since 1966. Germany on the other hand supported all of Clinton's ideas to stop the war (e.g. lifting the arms embargo in favour of the Muslims, supporting the Muslim offensive and hitting Bosnian Serb positions). American public opinion was shocked when the marketplace in Sarajevo was shelled (5 February 1994), when the Bosnian Serbs took 350 members of UNPROFOR hostage (May 1995) and when they invaded the 'safe areas', using cluster bombs and napalm and being helped in their attacks by the regular Serb army without UNPROFOR being able to do something about it (July 1995). In Srbrenica 7,000 Muslim men and boys were slaughtered after they had surrendered to the Serb forces. This was the single worst atrocity that had happened in Europe since the end of World War II. When the Bosnian Serbs strangled Sarajevo, refused to reopen Tuzla airport and refused to allow the rotation of UN forces in Srebrenica, all NATO countries but Greece supported the use of air strikes against Bosnian Serb military positions. NATO forces were the only war machine available in the absence of regional (i.e. EU) forces and institutions (Calvocoressi, 2001, p. 353). For the first time in history, NATO operated outside the area mentioned in its charter.

The Serbian economy collapsed because of the socialist mismanagement, the dislocations produced by the war and the UN sanctions (Reisman and Stevick, 1998,

p. 113-114). Moreover, Milosevic wanted to concentrate on the situation in Kosovo, where things were getting out of hand. He was tired of the Bosnian Serb leaders who did not want to take his orders anymore. Like Tito before him, Milosevic was a realist: he knew a military campaign had to be stopped, when the objectives could not be reached. For these reasons Milosevic declared himself ready to give up support for the Bosnian Serbs, in exchange for a lifting of UN sanctions (September 1994). The Security Council partially suspended the sanctions programme. International air passenger traffic, passenger ferry service and Yugoslav participation in international sporting and cultural exchanges were allowed. At the same time the Croatian army regained its strength, and in May and August 1995 it launched major offensives against the Bosnian Serb positions. It was able to recapture the Krajina. (Only in 1998 Croatia re-conquered Eastern Slavonia.) Time had come for a long overdue peace conference. Clinton's personal envoy, Richard Holbrooke, summoned Milosevic, Tudjman and Izetbegovic to Dayton, an air base in Ohio.

On 21 November 1995 the peace treaty was signed. The three parties committed themselves to ending the war, diplomatically recognising each other and respecting human rights. All forces had to be withdrawn behind the agreed cease-fire lines. All POW's had to be released and the International Red Cross had to have access to all sites of detention. The so-called 'outer wall of sanctions' remained in place. Serbia could only rejoin international organisations and could only have access to international financial institutions if it decided to co-operate with the War Crimes Tribunal. The other sanctions were lifted but could be re-imposed at any time if Serbia or the Bosnian Serbs did not comply with the peace agreement.

The Dayton peace agreement partitions Bosnia-Herzegovina into roughly equal halves: it creates an artificial federal state (Faucompret, 1996, pp. 157-158). It is made up of the Bosnian Serb state (the republic of Sprska) and the federation of Muslims and Croats (with confederate links to Croatia). The two states have their own institutions and their own armies but there is also a Federal Parliament consisting of two chambers, a Federal Government, a Constitutional Court and a three-person Presidential Council. The federation can deal with foreign policy, monetary policy, international trade, immigration, inter-state law enforcement, inter-state transport and air traffic control. Security and economic policies are outside its control. The 250,000 refugees, who, as a result of the wars of aggression and the accompanying campaigns of ethnic cleansing, fled their homes are called upon to return. The UN will train local law enforcement personnel. A UN High Representative has to facilitate the implementation of the peace agreement as far as the civilian aspects are concerned. The Organisation for Security and Co-operation in Europe (OSCE) has to train a Bosnian police force and to organise elections. Under the auspices of the OSCE the parties have to agree on Confidence Building Measures: they have to furnish data on their military forces; they have to limit their military exercises and they have to announce their military manoeuvres. Within 180 days they have to reach an agreement on the limitations to be placed on their armaments. If they are unable to do that, then the OSCE has to act unilaterally. Serbia, Croatia and Bosnia have to reduce their armaments in accordance with the following proportion: 5–2-2. This means that Serbia has to reduce the number of its tanks, artillery, armoured vehicles, war planes and war helicopters by about 25 percent. Croatia and Bosnia have to reduce theirs by about 40 percent. The Security Council will lift gradually the arms embargo: after 90

days the import of non-heavy arms becomes possible; after 180 days heavy arms can be imported again.

The Council of Europe will appoint three out of nine justices for the Constitutional Court, that has to deal with the violation of human rights. The European Convention on the Protection of Human Rights and on Fundamental Freedoms has precedence over the Bosnian laws. The Bosnian Constitution provides for the highest level of internationally recognised human rights. A Human Rights Chamber (half of its members will be appointed by the Council of Europe) and an *Ombudsman* (to be appointed by the OSCE) has to investigate into human rights abuses. Persons convicted of war crimes are barred from public functions and have to be handed over to the War Crimes Tribunal. An international implementation force IFOR is being established under NATO-command. IFOR (since December 1996, SFOR) will monitor the cease-fire, separate the military forces, control the Bosnian airspace and overview the withdrawal of the heavy weapons. To prevent interference with the free movement of persons, it can use military force and it can arrest indicted war criminals. SACEUR, NATO's Supreme Commander in Europe, has overall command over SFOR, including non-NATO-troops such as the 1,500 Russians. There will be follow-up conferences in London and Bonn. Between October 1993 an July 1996 the EU took over the administration of Mostar, a mixed Croat-Muslim city. The aim was to restore basic infrastructure and to restore public order. With the help of WEU experts a joint Muslim-Croat police force was trained.

7. War in Kosovo

The Dayton Peace Agreement did not stop the violence in the Balkans. Soon a civil war broke out in the Serb province of Kosovo and NATO had to intervene again. Since 1945 the Albanian inhabitants of Kosovo had been treated as second-class citizens by the Yugoslav authorities (Faucompret, 1999b, p. 785). In 1974 there was an abrupt change of policy for the better. Kosovo became autonomous; it could fly its own flag; Albanian became the second official language; an Albanian university was established. These measures significantly stimulated Albanian nationalism. But in 1989 president Milosevic abolished the autonomy of Kosovo granted 15 years earlier. He moved military and paramilitary units into the province. The Kosovo Albanians – about 90 percent of the population – declared their independence. The international community made it abundantly clear that this was an illegal act. If Kosovo were granted independence, the Albanians living in Montenegro and Macedonia could do the same and secede from their states and join Albania. The Greater Albania Movement endangered the regional stability in the Balkans. The Kosovo Democratic League (KDL) led by Ibrahim Rugova was ready to negotiate with Milosevic on a renewal of regional autonomy but the Kosovo Liberation Army (UCK), which over the years had grown from a small peasants movement into a formidable military resistance force mainly armed by Albania, favoured complete independence from Serbia (Detrez, 1999, p. 71-89).

On 23 January 1998 Rugova called on the Contact Group of Five and Italy to deal with the situation in Kosovo and to play a more active role. But this Group was going to react slowly. On 9 March the Contact Group of Six condemned the violence committed by both parties. Kosovo had to receive 'meaningful self-administration' within Serbia. The Contact Group also called for a new general arms embargo against

Yugoslavia and for limited trade sanctions against Serbia. Milosevic had to withdraw its paramilitary units from Kosovo within ten days but that deadline was extended several times. On 31 March the Security Council adopted a resolution (14 in favour, Russia against and China abstaining) that enshrined the Contact Group's points of view: Serbia and the Kosovar Albanians had to start a dialogue; Milosevic had to withdraw its police force from Kosovo; he had to stop harassing relief workers trying to get into Kosovo; the weapons embargo against Serbia was re-imposed. Both sides in Kosovo did not shun atrocities. UCK units attacked Serb military forces who reacted in their usual way: making no difference between combatants and civil population. Milosevic launched a military campaign nicknamed 'Operation Horseshoe', the aim being to remove the Albanian population from border villages and to make it impossible for KLA units to hide up in populated areas (Faucompret, 1999b, p. 786). As sanctions imposed by the Contact Group, all Serb financial assets were frozen, a trade embargo was decreed, all air links were cut. Clinton sent Holbrooke, the architect of Dayton, to Belgrade. He brought Rugova and Milosevic together but their negotiations soon deadlocked (Calvocoressi, 2001, p. 351-355).

NATO tried to frighten Milosevic into accepting a compromise with the Kosovar Albanians, by organising joint exercises with Albania within the framework of the Partnership-for-Peace program and by announcing on several occasions that it was going to react if Serbia did not stop its onslaught on innocent civilians. New streams of refugees threatened to destabilise the Balkans. But the Serbs did not seem to be impressed by NATO' s warnings. In January 1999 'Operation Horseshoe' came to a height: in Racak (near the capital Pristina) fifty Albanian 'terrorists' were slaughtered. Now the Contact Group – willy-nilly - had to act. It wanted Serbia to accord 'maximum' autonomy to Kosovo, far greater than the one accorded to it in 1974. But at the same time Serbia was reassured that Kosovo could not become an independent state. Both parties rejected any compromise. For Serbia even limited autonomy was out of the question and international mediation was rejected. For Milosevic, unlike Bosnia, Kosovo was a domestic affair. For the UCK, Kosovo could be placed under an international protectorate for a limited period of time, but in the end it had to become independent. Because of Russia's refusal to use force against Serbia, the Contact Group was unable to carry out its resolutions. Milosevic was adamant: Serbia was not going to pull its forces out of Kosovo. This left NATO as the only force to act. In March 1999 Milosevic and the representatives of the Kosovo Albanians were summoned in Rambouillet, near Paris. The Contact group wanted them to accept the following proposals (Faucompret, 1999b, p. 787):

- withdrawal of all Serb forces (with minor exceptions) from Kosovo
- disarmament of the UCK
- introduction of an international peace-keeping force
- introduction of a civilian corps of 2,000 unarmed OSCE monitors
- start of negotiations about the future of Kosovo
- return of the refugees

To the no small astonishment of the Serbs, the Kosovo Albanians were in favour of the proposal, on condition that Serbia accepted it. Not only did Milosevic reject the entire proposal, at the same time he stepped up the military campaign in Kosovo. In the end NATO was left with no alternative. The bombing campaign – starting on 23 March 1999 and lasting three weeks - had three objectives: to deter the Serbs from

further hurting the civilian population in Kosovo, to reduce the Serb military arsenal and to show NATO could not be humiliated without impunity. There were several reasons why NATO did not introduce ground troops. NATO did not want to jeopardise the lives of its soldiers. American public opinion was opposed to new UN peacemaking operations like the one in Somalia (1992-1993) where American soldiers had been slaughtered by grisly warlords. Russia and China were to protest against the sending of ground troops in the Security Council. The UCK could do part of the job. The experience in Bosnia had taught it was possible to achieve a military victory without actually inserting ground troops. In Kosovo, air power did the job with aircraft flying above 15,000 feet. Two thirds of the sorties were American. Whereas no single NATO bomb dropper was killed, all the dead were Serb or Albanian. NATO did only succeed in destroying a small part of the Serbian army and only after the UCK-fighters drove Serbian soldiers out of their hideouts. In the end Milosevic had to give in: he had to accept Security Council Resolution 1244 (1999), which stipulated the following:

- Serbian forces had to leave Kosovo 'in accordance with a rapid timetable'.
- An international intervention force KFOR with about 50,000 troops will be sent to Kosovo to restore law and order.
- Kosovo will be ruled by a UN High Representative who has to provide an interim administration for Kosovo under which the people of Kosovo can enjoy 'substantial autonomy within the Federal Republic of Yugoslavia' (*United Nations Interim Administration Mission in Kosovo*: UNMIK).
- The Security Council will decide on the future status of Kosovo.
- The KLA had to disarm and to end all offensive actions.

8. The EU Common Foreign and Security Policy

The EU as such did not take part in the Kosovo military operations. It lacked a military defence arm. The EU had to ask NATO to work out contingency plans. Within NATO there was strong cohesion. The majority of the governments were centre-left. The credibility of the Atlantic Alliance was at stake. It was celebrating its fiftieth anniversary and three new members (Poland, Hungry and the Czech Republic) were to join in April 1999. Countries like the Netherlands, Portugal and the UK remained closely attached to the US as far as defence was concerned: they did not want the WEU to duplicate NATO's command structure. On the other hand countries like France, Italy and Belgium wanted the WEU to be incorporated into the EU and the European defence identity to be constructed outside the confines of NATO. It was only after the Treaty of Amsterdam had been signed (but prior to its entry into force) that the UK agreed on the incorporation of the WEU into the EU, but this process will take time before it is fully implemented. After the Serb capitulation the EU did play an important part in Kosovo. Eighty percent of the troops for KFOR were European. The European Commission headed the European Reconstruction Agency, as well as the department of the UN Mission in Kosovo responsible for economic reconstruction.

Kosovo revealed the shortcomings of the EU's existing national and collective military capabilities and underlined the need for a European strategic defence policy (European Commission, 2001, p. 34). Constant criticism portraying the lack of coherence of the EU compared with the US and the lack of a EU military strategy

apparently galvanised the EU into action. The problem of the (theoretical) demarcation between economic and foreign affairs issues had to be solved (Canor, 1998, p. 138). When the Member States had to take UN sanctions against Yugoslavia this was clearly a matter of trade and trade fell within the scope of the European Community. The Maastricht (1 November 1993) and the Amsterdam Treaties (1 May 1999) laid the cornerstone for a future EU Common Foreign and Security Policy (CFSP), the successor of the EPC. The CFSP had to become an important tool for the EU in the future conduct of its foreign policy and specifically in the area of crisis management. The former EPC Secretariat was incorporated into the Council's General Secretariat. The European Council lays down the basic principles and the general orientations in areas where Member States have common interests. The Council of the EU (encompassing the Foreign ministers) has to implement the common strategies and guidelines. It can decide by qualified majority unless a Member State has major reservations. Then it can ask for the decision to be referred back to the Heads of State or Government. (In that case the European Council has to decide by unanimity.) The Council could ignore 'constructive' abstentions if the countries abstaining do not account for more than a third of the votes.

The Secretary-General of the Council is at the same time the High Representative for Foreign and Security Policy. He is assisted by a Policy Planning and Early Warning Unit, responsible in particular for centralising and analysing information from Member States, from the European Commission and from the WEU. The High Representative will direct the action decided by the Council, working in a new 'Troika' with representatives of the Council Presidency and the Commission (European Commission, 1999, p. 19). The High Representative can help to provide better focus for the EU, both internally within the Union, by helping to ensure greater coherence between Member States and externally with third countries and international organisations. The European Commission is allowed to take part in all the deliberations on the CFSP. The Treaties introduce several instruments: common positions and joint actions to be decided upon by the European Council, political agreements with third countries, solemn declarations on foreign affairs, contacts with third countries. The first instrument is no innovation: since EPC it was possible for the EU to explain its external posture toward the outside world. The precise content of possible joint actions was not clear either. It was thought that the EU like the OSCE would be able to dispatch teams of observers for elections in third countries and to appoint special representatives for certain conflict regions. Agreements with third countries have to be decided by unanimity. Declarations can relate to third countries or to international questions. In 1998, 163 of such declarations were made. Contacts with third countries can take the form of political dialogues or of confidential fact finding missions.

The European Council of Cologne (June 1999) put forward a European Defence and Security Concept. Former NATO Secretary-General and a high profile Atlanticist, Javier Solana, became the first High Representative for Foreign and Security Policy of the EU. At the European Council of Helsinki (December 1999) it was decided to create by the year 2003 a Rapid Reaction Force of up to 60,000 troops, capable of mobilising within 60 days and executing military tasks at the lower end of conflict spectrum: crisis management, peacekeeping and peacemaking operations out of NATO area (the so-called Petersberg tasks). It also had to develop non-military crisis response tools in areas such as nation-building, humanitarian aid, civilian police

deployment and training, border controls, mine clearance and search and rescue. A Rapid Reaction Facility will allow the EU to mobilise financial and other resources within days rather than months. There have to be transparent procedures for consulting and co-operating with NATO and non-EU countries. The EU will only act where NATO was a whole was not engaged.

All in all the mountain brought forth a mouse. If we compare the stipulations in the Maastricht Treaty on the CFSP with those on the European Monetary Union, the contrast could not be greater. While the objective of creating a CFSP was set, the common positions and joint actions depended on the willingness of each Member State to act in concert with its partners. The agreement that was reached on the decision-making process, the means of implementation of the CFSP and the implications of a common defence policy was part of the so-called 'second pillar'. From a legal point of view, this 'pillar' remained separate from the European economic integration process, in that it was a typical kind of intergovernmental co-operation with a very limited role to play for the Community institutions and with no legal instruments like directives, decisions and regulations. The CFSP lacks democratic forms of accountability over its policies. The so-called Luxembourg compromise has been incorporated into the Treaties on the European Union. This is part of a trend towards intergovernmental methods away from federalism. There is a further anomaly: the Treaty on the European Union wants the EU to protect human rights but at the same time the European Court of Justice – mostly on British and Scandinavian insistence – is denied any role in the CFSP. The European Council at Göteberg next June is likely to adopt a European Programme for Conflict Prevention but the European Union has yet to become a military power. For the time being it is only a civil power. Before we deal will this, we will first pay attention to the economic situation in the former Yugoslavia.

9. Economic situation in the former Yugoslavia

All six republics of the former Yugoslavia countries had planning economies. The industries and financial institutions have yet to be restructured. Moreover, all republics have suffered from the devastation caused by the different wars (three in nine years time), the incoming flows of refugees and the decomposition of the federal state.

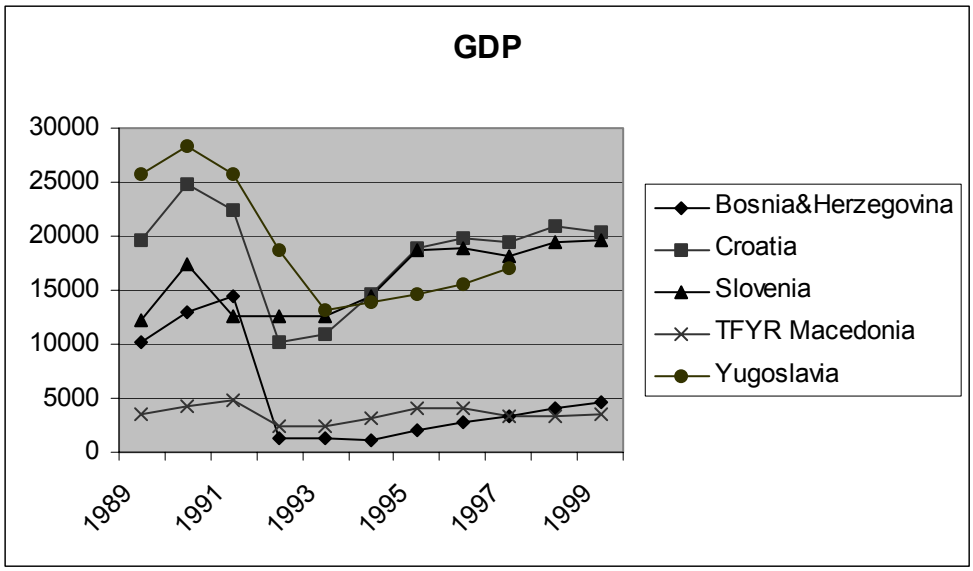
Table 1 and graph 1 depict the evolution of the Gross Domestic Product from 1989 until 1999 in the six republics of the former Yugoslavia. The effect of the different wars is reflected in the figures. While the GDP of both Croatia and Slovenia falls back in the years 1991-1993, there is a remarkable recovery in the following years. Compared to 1990, the Slovenian GDP has even grown significantly. The situation in Bosnia-Herzegovina is gloomy because of the war and its aftermath. The Serbian and Montenegrin GDP also decreased. Macedonia is the poorest republic of the former Yugoslavia. In the mid nineties its economy slightly recovered but at the end of the century the situation worsened.

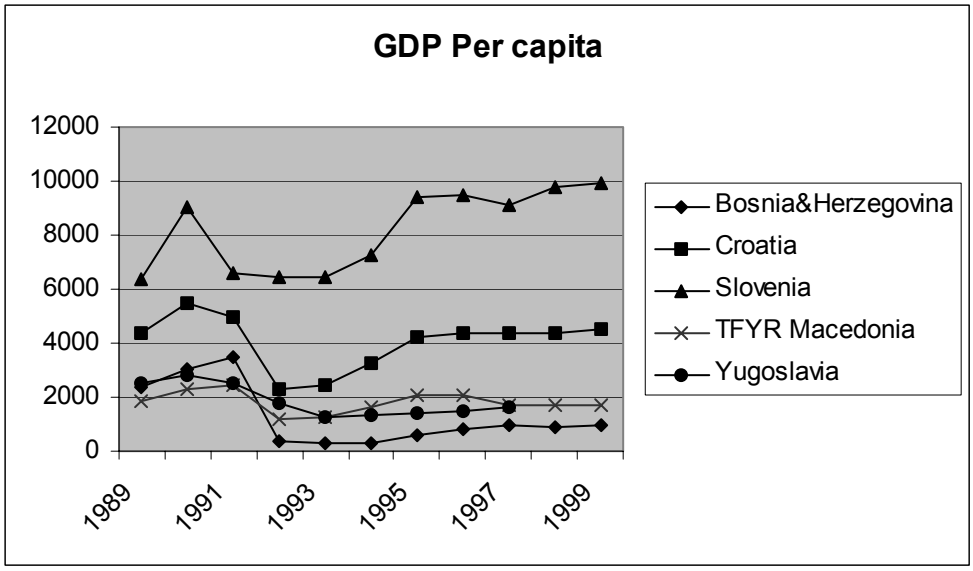
Table 1: Evolution of the GDP (in million US dollar; current prices) in the former Yugoslavia

	Bosnia-Herzegovina		Croatia		Slovenia		TFYR Macedonia		Yugoslavia	
	GDP	Per capita	GDP	Per capita	GDP	Per capita	GDP	Per capita	GDP	Per capita
1989	10,253	2,350	19,695	4,363	12,159	6,375	3,492	1,844	25,753	2,554
1990	13,012	3,020	24,782	5,486	17,382	9,063	4,326	2,266	28,390	2,795
1991	14,377	3,451	22,464	4,974	12,673	6,561	4,762	2,477	25,754	2,515
1992	1,377	349	10,241	2,269	12,523	6,428	2,359	1,220	18,696	1,810
1993	1,222	329	10,904	2,420	12,673	6,449	2,500	1,286	13,169	1,263
1994	1,088	309	14,583	3,241	14,386	7,266	3,145	1,610	13,820	1,320
1995	2,029	594	18,811	4,187	18,744	9,419	4,105	2,091	14,681	1,389
1996	2,778	812	19,738	4,398	18,859	9,453	4,124	2,088	15,548	1,466
1997	3,300	938	19,514	4,352	18,202	9,122	3,320	1,671	17,000	1,600
1998	4,100	920	20,900	4,400	19,400	9,760	2,600	1,290	n.a.	n.a.
1999	4,600	943	20,200	4,490	19,600	9,890	3,300	1,690	n.a.	n.a.

Source: *United Nations Statistical Yearbook*; *http://www.worldbank.org*

Graph 1: Evolution of the GDP and the GDP per capita (in million US dollar; current prices) in the former Yugoslavia





Source: *United Nations Statistical Yearbook; http://www.worldbank.org*

Table 2 provides us with data on the economic situation in each of the six republics of the former Yugoslavia. All six countries cope with relatively high foreign debts and with high rates of unemployment while their rates of inflation – apart from the ones for Serbia and Montenegro – are manageable. In the past Croatia, Slovenia, Macedonia and Bosnia-Herzegovina opted for strict budgetary and monetary policies. Some of them (Slovenia and Croatia) earned foreign exchange thanks to tourism and worker's remittances. The situation in Serbia-Montenegro is rather dramatic. When sanctions were first imposed, it appeared that Serbia-Montenegro might be able to withstand them. The government had stockpiled goods and fuel; the economy had a relatively low dependence on foreign trade; domestic oil production was constant and geared towards industry, rather than consumer demand; analysts believed that Serbia could be agriculturally self-sufficient for some time.

But the Yugoslav economy quickly began to deteriorate. Shortages of petroleum for industrial use and heating oil for homes threatened the country's economy and health. With the economic collapse came massive unemployment, while 700,000 ethnic Serb refugees put a drain on the economy (Reisman and Stevick, 1998, p. 115). Real household income had fallen to one-tenth of its 1990 level by 1994. Old-age pensions and wages were wiped out by hyperinflation. One-fifth of the population lived in absolute poverty. Malnutrition and infant mortality increased significantly. In September 1994 the government had to begin rationing food. Foreign debt has soared by the year and since 1992 the government has failed to meet its debt service. It has been estimated that it costs 2,297 dinar to nourish a family of four. It is difficult to imagine how with a monthly salary of 1,138 dinar people can make ends meet (Petkovic, 1999, p. 17). Serbs have learnt to survive by creating a parallel economy. It is thought that this economy produces half as many goods and services as the official one. The Serb government has given up all hopes to control this economy. Instead it raised taxes, increased user's fees for medical expenses, introduced tuition for education; stopped paying family allowances. There were regular power cuts and long waiting lines in front of shops, selling basic necessities like milk and cooking oil.

Table 2: The former Yugoslavia in figures

	Average rate of inflation 1991-1999 (in percent)	Foreign debt 1999 (in billion dollar)	Current account deficit 1999 (in billion dollar)	Government deficit 1999 (in percent of GDP)	Average rate of unemployment 1991- 1999 (in percent)
Serbia + Montenegro	50	11.6	1.5	10	28
Croatia	5.7	8	1.4	0.5	17.6
Macedonia	0.6	1.3	0.285	1.7	36
Bosnia-Herzegovina	5	2.8	0.999	3	40-50*
Slovenia	8	4.9	0.006	1.4	14.5

Source: *Problèmes Economiques*, no. 2620, 9 June 1999, p. 5.

*: estimates

The economies of the six republics are essentially complementary. But instead of creating one trade and investment area, barriers of all kinds have distorted normal trade and investment patterns. The same thing happens in Bosnia-Herzegovina because the leaders of the three communities are not ready to remove the barriers between their respective economic zones. Foreign companies remain hesitant before they want to invest in the Balkans, where the political situation is far from stable. Necessary structural reforms might engender social and political unrest. All countries have appealed for help from the international financial institutions but this kind of help can only alleviate their economic plight in the short run. In the long run direct

trade and investment links with each other and with the outside world will generate far more significant impact on the economies of the Balkans states. All these states have recognised that their best future lies in participating in the process of European integration.

10. Economic aid from the EU

Table 3: 1991-1999 assistance to the former Yugoslavia (allocations in millions of Euro)

	Bosnia and Herzegovina	Croatia	FYR of Macedonia	FR of Yugoslavia	Kosovo
Phare + Obnova	744,99	45,61	215,00		
Echo	1 034,14	293,80	85,48	455,000	
Media	11,24	3,38	0,82	8,853	
EIDHR	12,10	3,50	0,70	11,630	
Balance of Payments support	60,00		120,00		
Mostar, customs, refugees, demining	203,80	2,50		166,600	360

Source: *The European Union and Southern Europe*

The EU played some role in the economic reconstruction of the former Yugoslavia. The European Commission opted for a global strategy in co-operation with the World Bank (Wouters and Naert, 1999, p. 108). Table 3 provides us with information on EU assistance to the former Yugoslavia. This aid was given through different programs. *Phare* is currently the main channel for the EU financial and technical co-operation with the countries of Central and Eastern Europe. The *Obnova* programme is an EU initiative for rehabilitation and reconstruction in the countries of the former Yugoslavia. *Echo* (The European Community Humanitarian Office) is a service of the Commission under the direct responsibility of the commissioner for Development, Co-operation and Humanitarian Affairs, with the task of managing humanitarian aid

to all countries in the world outside the EU. With the *Media* programme the EU wants to transform state media into genuine public broadcasters. The *EIDHR* programme provides support for democracy and human rights projects in third countries (*The European Union and Southern Europe*, p. 22-55).

The EU has floated the concept of membership to give the former Yugoslav republics the stimulus and advantages of various forms of close co-operation before they are ready for accession. But for the time being Slovenia is the only of the six republics that qualifies for EU membership. The other republics are being offered a so-called Stability Pact. The Pact could be compared to the Marshall plan that had been launched by the US after World War II to make the Western European economic recovery possible. The Stability Pact embraces not only the EU and the countries of the region but also third partners. In July 1999 the EU convened a conference with the Balkans countries in Sarajevo. Twenty-eight countries attended the conference, among them the US, Canada, Japan and Russia. On July 29 the Stability Pact for South Eastern Europe was signed. To qualify for help the countries have to make progress in democratic freedoms, respect for the rights of minorities and regional co-operation. The EU declares its readiness to draw the South Eastern countries closer to the prospect of full integration into its structures. This will be done through a new kind of contractual relationship (Stabilisation and Association Agreements), taking into account the individual situations of each country, the progress in regional co-operation, and eventually the prospect of EU membership. The Pact's three 'tables' are: reform, reconstruction and security. The EU will appoint, after consultation with the OSCE and other participants, a Special Co-ordinator for the Stability Pact. The European Commission and the World Bank have to develop a coherent international assistance strategy and they have to prepare a donors conference, based on a joint assessment of financial means for economic reconstruction of the Balkans region. There has to be effective co-ordination among the Commission, the International Financial Institutions, bilateral donors and other international organisations like the Council of Europe, the OSCE and the UNHCR (*Presidency Conclusions, Cologne, 3 and 4 June 1999*).

To maintain momentum, the EU has stressed the need to demonstrate results on the ground quickly. In March 2000 donors pledged over Euro 2.4 billion, so as to implement a 'quick-start package'. The EU wants to give special support to Montenegro because of the democratic path is has taken, making it a beneficiary of the Stability Pact right from the beginning. The EU expresses its intention to help the pro-democracy groups in Serbia. All kinds of humanitarian aid were sent, such as 'Energy for Democracy' (a programme to supply oil), 'Schools for a democratic Serbia' (a programme to help schools with infrastructure improvements) and support to independent media. In the same way that after World War II, no global economic recovery in Europe was possible without the recovery of Germany, the EU was conscious of the fact that no economic recovery would be possible in the Balkans without the participation of Serbia, which lies at the heart of the region. Therefore, the EU declared its readiness to include Serbia in the process once it has met the conditions of the international community on Kosovo. This meant the Stability Pact could only be carried out after the removal from power of Milosevic.

In December 2000 the EU co-ordinated the different assistance programs. By analogy to the Marshall plan, the aim was to teach the Balkans countries to help themselves.

Like the Western European countries after World War II they had to build strong institutions, create the conditions for a free market economy, fight corruption and respect the right of minorities. The EU was there mainly to help them in this transition process. Its assistance was to focus mainly on building up an institutional, legislative, economic and social framework directed at the values and the models subscribed to by the EU and on promoting a market economy. The EU assistance was to be distributed as follows: aid for refugees and reconstruction; measures to combat crime; the creation of a framework to underpin democracy, the rule of law and the respect for human and minority rights; reconciliation and the consolidation of civil society; the independence of the media; sustainable economic development; poverty reduction; gender equality; education and training; environmental rehabilitation; cross-border and interregional co-operation. First a strategic framework ('country strategic paper') had to be devised; then on the basis of this, multi-annual indicative programmes had to be drawn up for three-year periods for each country receiving assistance (Albania, Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia and FYR of Macedonia). On the basis of the multi-annual programmes, annual action programmes had to be drawn up, setting out the aims being pursued, the fields of action and the budget provided.

If the declaration of intent sounds impressive, one can ask the question whether the EU has contributed significantly to the economic reconstruction effort in the former Yugoslavia? Most certainly the EU is by far the single biggest assistance donor to the republics of the former Yugoslavia. Since 1991 through its various aid programmes the EU has provided more than Euro 4,5 billion. The financial reference amount for the implementation of the new programme for the period 2000-2006 is Euro 4,650 million. EU assistance will be in the form of grants. It may be used for co-financing investment projects but it may not be used for paying taxes or acquiring immovable property (*Council Regulation EC no. 2666/2000 of 5 December 2000*). The EU certainly could do more. Compared to the combined GDP of the fifteen EU Member States (1998: Euro 7,593,142 million), this amount (1998: Euro 435 million) is rather insignificant. Free trade agreements are part of the Stabilisation Pact but often the EU restricts trade through antidumping measures, local content rules, mandatory standards and specifications (Faucompret, Konings and Vandenbussche, 1999a, p. 143) thereby obstructing the exports of competitive goods by third countries, because they harm EU domestic industries. The EU will have to do more if it wants to create a stable environment in the Balkans. But therefore one needs social, economic and political reforms in these countries themselves. In areas like Bosnia-Herzegovina and Kosovo the situation remains explosive.

11. Future prospects

In 1997 Milosevic could not take part in the *Serbian* presidential race, because his term of office had expired. But he forced the federal parliament to swear him in as federal Yugoslav president. He changed the Federal Constitution. This enabled him to acquire even more power than when he held the Serbian presidency. For a while Milosevic could maintain this position, by cracking down on his political opponents and by closing down independent news agencies and television stations. In February 2000 he was re-elected as chairman of the Serbian Communist Party. It was not the armed resistance or the hopelessly divided opposition that brought Milosevic down, but the Serbian people, impoverished by the bad social and economic conditions. In

July 2000 the Yugoslav parliament amended the Federal Constitution so that the president was no longer to be appointed by the legislative but directly elected by the people. Milosevic tried to hold his grip on power by organising early presidential (the first ever in Yugoslavia), and parliamentary elections (September 24). He miscalculated and the elections were convincingly won by the Democratic Opposition of Serbia, an amalgam of 18 parties chaired by Vojislav Kostunica. Milosevic's handpicked electoral commission falsified the results. As the world watched in amazement 200,000 Serbs took to the Belgrade streets requesting Milosevic to recognise the victory of the opposition. Strikes and blockades paralysed the Serbian economy. Milosevic was brought down by the forces that had kept him in power for thirteen years. The Yugoslav president was tossed out of power by farmers, factory workers and miners, who were sickened by the blatant fraud by the regime and the economic misery. On 5 October half a million people converged on Belgrade. Parliament and the television station were set to fire; the police did not intervene and the army remained in its barracks. On 7 October Kostunica was sworn in as the new Yugoslav president. The EU lifted its oil embargo and its restrictions on commercial flights. Milosevic left the political scene peacefully: an amazing thing in a country saturated with violence (Vuga, 2001, p. 114-117).

In *Croatia* things were also evolving in the right direction with the end of the authoritarian Tudjman regime. The president's party, the Croat Democrat Union (HDZ) dominated the political scene, the army and the police forces. The opposition was prevented from waging electoral campaigns. Local authorities obstructed peaceful gatherings of political associations. The free press was curtailed. The state directed economy stagnated. Corruption was rampant. Internationally the country was isolated. Tudjman did not want to co-operate with the War Crimes Tribunal. He did not allow the ethnic Serbs to return to the Krajina or Eastern Slavonia. He encouraged the Bosnian Croats not to give in on any of the UN demands. In December 1999 Tudjman died. The HDZ was not going to survive its founder. In January 2000 it was beaten in parliamentary elections by a coalition of Social Democrats, Social Liberals and other smaller parties. The leader of the People's Party, Stipe Mesic, became the new president. Mesic is a true democrat who wants to modernise his country's economy and who wants Croatia to join the EU. He declares himself ready to carry out the Dayton peace agreement.

Montenegro, for the time being with Serbia the only remaining republic in the Yugoslav Federation, suffered severely under the crisis that hit the Yugoslav economy. In 1997 Milo Djukanovic won the Montenegrin presidency, the other candidate being one of Milosevic's henchmen. Djukanovic opted decisively for a pro-Western reform programme. He is an outspoken proponent of an independent Montenegro. Since then Montenegro has slowly asserted its own identity. It opted for a so-called salami secession from Serbia. First a new income tax was introduced. Montenegro refused to pay taxes any longer to the federal authorities. Montenegro introduced its own customs system, so as to isolate itself completely from Serbia, to bring about monetary stability and to increase its credibility with foreign investors, Montenegro substituted the DM for the Yugoslav Dinar as the official currency of the republic. Border controls with the outside world were relaxed so that visas, without cumbersome formalities, were extended to foreigners. Montenegro even set up its own airline company, Montenegro Airlines. The Montenegrin government established its own police force and its own paramilitary units. It improved its relations with

neighbouring countries like Croatia, Macedonia and Albania. In August 1999 Djukanovic put forward a plan for complete independence and he wanted to hold a referendum the following year. But the EU as well as the US objected to this and the plan was shelved. But in July 2000 Montenegro did not recognise the federal parliament any more. Djukanovic supported the NATO-led deployment in Kosovo. Milosevic was of course not satisfied with the course taken by Djukanovic. Serbs and Montenegrins shared a common culture, a common language and a common religion. Montenegro is a deeply fragmented society which twice this century experienced civil war (Roberts, 1999, p. 6). One in eight Serbs had Montenegrin roots. Serbia had a 20,000 men strong Yugoslav army garrison stationed in Montenegro. In the north of Montenegro many cities and villages were ruled by proponents of federal prime minister Momir Bulatovic, an ally of Milosevic. The Serbian president called on the pro-Serb Montenegrins to secede from Montenegro and to dismember the country. Serbian banks cut links with Montenegrin firms. No longer did Serbia export goods and services to Montenegro, which meant Montenegro had to import more expensive goods and services from third countries requiring strong Deutsch Marks. A growing number of Montenegrins were not satisfied with their president's policy. Since Milosevic left the political scene, relations between Serbia and Montenegro have improved. The EU realises that independence for Montenegro could have consequences for Bosnia-Herzegovina, Macedonia and Kosovo, where many have not given up hope of union between their region and neighbouring countries.

Macedonia is a landlocked country surrounded by four unkind neighbours: Greece, Bulgaria, Serbia and Turkey. The very name of Macedonia conjures up powerful emotions both in Greece and Bulgaria. In 1991 the Macedonians confirmed their independence by plebiscite but the referendum was boycotted by the Albanians. For two years Greece prevented international recognition of the new state because it feared Macedonia's territorial claims on Greek territory. Until September 1995 it imposed its private economic blockade on trade and investments with Macedonia, which suffered already under the UN-sanctions imposed on Serbia. Under Greek pressure Macedonia was forced to adopt the ill chosen name of 'Former Yugoslav Republic of Macedonia'. Much like the relations between the Serbs and the Albanians in Kosovo, relations between the two ethnic groups in Macedonia – the Slavic Macedonians who make up about 70 % op the two million inhabitants and the Albanian minority living in the north west – have been tense. Ethnic Albanians have been denied basic rights for a long time, including use of their own language in schools and other institutions. There is no state-funded Albanian university. Cyrillic is the country's official alphabet. Macedonia's special police units and the army top officers are almost exclusively Slavic. There are no jobs for Albanians in the public sector while their unemployment rate is about 80 percent. Until 1998 president Kiro Gligorov, though himself a clever and distinguished statesman, could not do anything to improve the fate of his Albanian citizens. The centre-left government dominated by two Slavic Macedonian parties (VMRO-DPMNE and DA) opted for a communist-style planning economy and it played on the anti-Albanian Slavic feelings. But in 1998 power shifted to the centre-right and the Democratic Party of Albanians joined the ruling coalition. The new president, Boris Trajkovski, and his government favoured economic reforms, restored relations with Greece and promoted a multiethnic society. It gave the Albanians more basic rights. Police chiefs serving in many towns are now Albanians and there are schools teaching an Albanian-language curriculum. But the pace of reforms has gone slowly. The Kosovo war boosted

Albanian nationalism. The flood of 300,000 Albanian refugees from Kosovo created economic chaos and threatened to upset the delicate demographic balance in Macedonia. Multi-ethnic relations have worsened since. Militant Albanians have set up the National Liberation Army that is supported by the Kosovo UCK. Their calls to arms have attracted hundreds of poor and jobless young Albanian nationalists (Hammer, 2001, p. 16-18). High tension in Western-Macedonia has recently changed into regular battle between the Macedonian army and Albanian military groups.

With Dayton more than four years of barbarism have come to an end in *Bosnia-Herzegovina*. The Accord has installed a tenuous peace. The EU funds the economic reconstruction of the federal state and – without much success - brought pressure to bear on the two governments to give more money to the federal authorities. Progress has been made. Thanks to SFOR a stable military environment has been created and the warring parties have been separated. Nearly half of the indicted war-criminals have been taken into custody by the War Crimes Tribunal in The Hague. Part of the infrastructure has been built up again. The economic life is improving. Over 400,000 refugees have returned. But the single Bosnian state only exists in name. Although they were not invited to the peace conference, the Bosnian Serbs were happy: they got more territory than demography allowed and they had their own institutions. The Croats were equally satisfied: in the long run their state – provided they could get rid of the Muslims – might merge with Croatia. Dayton made possible the creation of a Greater Serbia as well as of a Greater Croatia. The Muslims, though the largest community, are disappointed. They entirely rely on SFOR, that has to prevent the Serbs and the Croats from annexing large chunks of Bosnian territory. The federal institutions do not work and in the Croat-Muslim state the Croats have reduced to zero their co-operation with the Muslims. There is a lot of corruption going on and the joint presidency remains fractious. Tax, customs and banking bodies are not fully functioning. Non-nationalist and multi-ethnic parties lost elections while the High Representative had to step in to remove from power extremists elected by the people. Bosnia is a patchwork of three nations and two states, that could explode if NATO decided to pull out its troops.

UN Resolution 1244 on *Kosovo* differed from the Rambouillet proposal in that it did not mention the possible alternative of independence for Kosovo. The US and the EU want Kosovo to remain within Yugoslavia. The new Serbian president Kostunica is a nationalist and is not likely to make concessions on the future of Kosovo. The Albanians, however, want to get out of Serbia and create their own independent state that could join Albania in the long run. In the meantime Kosovo is a kind of UN protectorate with a UN High Representative as a kind of proconsul. The situation is comparable to the one in Bosnia: if NATO withdrew its troops the construction could come down like a house of cards.

12. Conclusions

1. In today's world there are two conflicting tendencies. On the one hand there is the so-called globalisation process, ensuing from international trade, international migration, international capital movements, internet, international news media and international transport. The world becomes one village. On the other hand there is the rise in ethnic nationalism. Ethnic minorities rejecting the multicultural societal model require their own state being set up. If the centripetal forces – a common

language, a common religion, a common culture - are weaker than the centrifugal forces, and the state does not do anything to reverse this course, then eventually it will fall apart. Yugoslavia was such an artificial state created by the superpowers after World War II, to keep the peace in Central-Europe. It is not impossible for a government to succeed in keeping alive artificial states. Belgium is a case in point. Nations require from their governments three objectives to be achieved: domestic and international security, material welfare and cultural commitment. If the government fails to deliver on this, in the long run the state will tend to disappear. In Yugoslavia the government failed to meet the needs of the different nations inhabiting the country. These nations felt deprived of their national identity; they felt threatened by the other side and they felt bereft of what was their due. Immoral leaders played on their fears and manipulated public opinion so as to achieve their own selfish objective of keeping power in their hands. Eager to secede from Serbia and without giving the idea much afterthought, Croatia, Slovenia, Macedonia, Bosnia-Herzegovina and Kosovo declared their independence. First they should have asked themselves the following questions: do we have the necessary military, economic and diplomatic capacity to reach our objectives? Will our population not suffer unreasonably hard during the wars of independence? Will the outside world support us sufficiently? Will we not be threatened by the neighbouring countries who could make misuse of the situation by annexing part of our territories?

2. In the case of the former Yugoslavia, different ethnic groups claimed self-determination. The Slovenes, the Macedonians and the Croats managed to carve out independent republics, but the Muslims in Bosnia-Herzegovina and the Albanians in Kosovo were not so lucky. The wars in the former Yugoslavia were devastating for the civil population and yet the UN, NATO and the EU were divided over how to respond. For the time being the international community is not able to intervene effectively in international conflicts. Outdated principles like non-interference in domestic affairs, national sovereignty, inviolability of borders, the right to veto Security Council decisions, prevent the UN and other international organisations from acting preventatively and with determination in international crises. Before the international community decides to intervene in a conflict it should ask itself the following questions: what is the aim of the intervention? Are we ready to impose a solution? Do we want to use the appropriate means so as to reach our objectives? Are we ready to stay in the country for a very long time in order to protect minorities against the dominant majority?

3. The western policy as to the former Yugoslavia was criticised by human rights activists. They compared the US and EU reaction to the Iraqi occupation of Kuwait with the way the US and the EU reacted to the wars in Yugoslavia. They argued it was because of the oil in the Kuwaiti soil that Operation Desert Storm was mounted so successfully. This crisis took place in a region that was vital to the American and European economic and strategic interests whereas the Balkans are of less strategic concern. Moreover any military operation would have been more difficult in the Balkans than in Kuwait. A bit cynically general Colin Powell said in this respect: “We do deserts, not mountains”. But there were other reasons as well for the benign neglect of the Balkans. Iraq was far more dangerous than Serbia. In the course of years Saddam Hussein had built a formidable arsenal of

biological and chemical weapons, which could upset the regional balance of power. The pro-western Arab countries like Saudi-Arabia wanted the US to liberate Kuwait and to destroy Saddam's weapons of mass destruction. Serbia did not possess the same capacity of mass destruction: it did not pose any serious threat to the regional stability of the region. By occupying Kuwait, Iraq violated the UN Charter which prohibits the occupation of another member state's territory. Serbia did not violate the territorial integrity of another UN member state: in the strict sense of the word a civil war was fought between different regions in one state. The UN Charter does not deal with this kind of aggression. It only stipulates that human rights should be respected. However, according to UN Secretary General Kofi Annan, this could imply that in the case of flagrant violation of human rights, peacekeeping forces have to be sent without the member state's approval (The so-called Koffi Annan doctrine was formulated in a brilliant speech to the General Assembly on 7 April 1999). But his view was criticised by Third World countries and by countries like China or Russia (both permanent members of the Security Council) who do not want the UN for these kinds of reasons to intervene for instance in Tibet or Chechnya. Because of this difference of mind between the permanent western members and the permanent non-western members there was no unanimity in the Security Council as to the sending of peacekeepers to the former Yugoslavia, whereas all the permanent members of the Security Council agreed on the necessity to liberate Kuwait. In the end NATO and the UN did decide to react against Serbia for reason of prestige. The international community had to show its teeth, if it were not to lose all credibility. References to the past were made: in the thirties nobody had reacted when Hitler occupied the left bank of the Rhine or when he annexed Austria and the Sudetenland. Milosevic ridiculed the international community by not implementing resolutions he had previously said to accept. His behaviour could inspire other would-be dictators while the reputation of the UN and of NATO would have been reduced to zero. In the end Milosevic did threaten the stability in the Balkans by creating thousands of homeless people and by a military build-up that caused unrest in the neighbouring countries. This could engulf the entire Balkans region in war.

4. Contrary to federal states like the US, the EU still lacks the political and military means to reach its objectives. The EU is not a state but an international organisation like the UN, which depends on the goodwill of its Member States to carry out decisions. It was thought that during the Yugoslav crisis the mechanism for bringing about more cohesion in the EU decision-making process would come about automatically. But the cart was put before the horse. As long as the EU Member States see things eye to eye, they create the impression of being united. But when they have differences of mind, the CFSP mechanism crumbles. In the case of the former Yugoslavia, France was in the driving seat and at first it was supported by the other big Member States. The big Member States wanted to demonstrate their power, using the EU and trying to wring the hands of the smaller ones. But as the war in Bosnia dragged on, Germany, the UK and other Member States did not want to take orders from France anymore. Eventually they joined American diplomatic efforts. After all, the US had won the Cold War and Western Europe, particularly Germany, owned Washington a lot. Because of their disagreement, the Fifteen ended up with vague and dubious resolutions reflecting the lowest common denominator of their respective points of view. Diplomacy

should be backed up by force if it wants to be credible. Politicians like Milosevic or Tudjman scorned weak institutions indulging in threats of military intervention, without having the will or the capacity to carry out their threats. The only effective weapon at the disposal of the EU, economic sanctions, is known to have little impact and is no substitute for deterrence. An international organisation like the EU that is unable to implement its decisions by military force is 'a paper tiger'. In the former Yugoslavia there were - apart from the EU - other international actors on the political scene. The fact that the membership of other international organisations does not coincide with the membership of the EU does not make things easier. Four Member States are neutral either traditionally or by virtue of their constitutions (Ireland, Sweden, Finland and Austria) and are no members of NATO or of the WEU, whilst the other 11 belong to NATO and 10 belong to the WEU (not Denmark). In addition, many of the Member States have developed bilateral or multilateral military co-operation with one another (e.g. the Euro-Brigade encompassing France, Germany, Spain, Belgium and Luxembourg). The United Kingdom and France are permanent members of the Security Council. Some EU Member States were ready to commit troops to UNPROFOR while others were not. The Yugoslav crisis amply demonstrated the limits of co-operation among sovereign governments. These governments have to account for their acts to their electorates. Compared to authoritarian states like Serbia or Croatia, which do not care about moral values, the western democracies are constrained in what they can do. In fact, their public opinion is opposed to putting at risk the lives of its troops.

5. The Monnet-Schuman Plan for the creation of the ECSC saw Franco-German reconciliation as the keystone of a new European order and sought to create conditions that would make any future war impossible. The EU has succeeded in making that ideal a reality. But events in the former Yugoslavia have shown that peace in Europe cannot be taken for granted. In its own interest the EU must work to safeguard peace beyond its own zone of stability. The former Yugoslav republics must be encouraged to promote economic integration so as to make future wars among themselves impossible. As a civil power the EU can only opt for preventative economic diplomacy. Her Member States are rich and all the Balkans countries would like to join the EU. This means that the EU has some economic clout. It can impose conditions that have to be met by the Balkans countries if they want to benefit from the economic co-operation with the EU. The EU could order them to recognise each other's borders, to settle all outstanding issues relating to the treatment of minorities and to establish a regional co-operation organisation. This could encourage economic integration among the former Yugoslav republics by creating a free trade zone which could later merge with the EU's own customs union as a first step towards accession. But in order to implement this strategy, the EU will depend on the goodwill of her Member States which have to cough up the money. In times of recession this is perhaps asking too much from European governments.

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