

EUROPEAN INTEGRATION PERSPECTIVES FOR THE BALKAN COUNTRIES

[Ambassador Panayotis Vlassopoulos](#)

Ambassador of Greece
to the Federal Republic of Yugoslavia
Greece

In the early 1920s, the concept of "European Integration" was a hot topic for discussion among European intellectuals. The development of the integration idea continued after World War II, and the first concrete step toward achieving this goal came with the creation of the European Coal and Steel Community. Today, 40 years after the signing of the Treaty of Rome, we are witnessing spectacular changes in all the countries of Central and Eastern Europe, in preparation for the expansion of the European Union towards the East and, hopefully, the Southeast.

On November 9, 1989, when the Berlin wall came down, new challenges arose for the emergent democracies, and the whole political and economic landscape drastically changed. The Danube basin, which links countries that were formally part of two opposite political and economic orders, was called upon to play the role of a bridge. The Danube flows through Germany, Austria, the Czech and Slovak Republics, Hungary, Slovenia, Croatia, Bosnia-Herzegovina, Serbia, Romania, Bulgaria, Ukraine and Moldova. A large number of these countries are situated in the Balkan peninsula.

In an effort to help the transition from communism to democracy and, in order to consolidate peace and stability in the region and contribute to its economic renewal, the European Union approached the question of the development of bilateral relations with the countries of the region, within a framework which promotes democracy, the rule of law, higher standards of human and minority rights, the transition to a market economy and the establishment of good neighbourly relations and greater co-operation among countries. The implementation and full respect of the engagements undertaken by the peace agreements in the former Yugoslavia became an overriding objective for the European Union's action in this region. Hence, the introduction of the political and economic conditionality, aimed to bring the desired stability to the area.

Following the signing of the peace agreements in Dayton and Paris, several attempts were made to this end, i. e., the Royaumont Process, the Southeast Europe Co-operative Initiative (SECI) and the Sofia Declaration. A common purpose of these different, but complementary and mutually reinforcing initiatives, is the enhancement of regional stability through democratic reforms and economic development throughout the region.

The level of relations and co-operation between the European Union and the countries of the region differs from country to country, on the basis of each country's willingness to address the above mentioned questions, in a decisive manner. Traditionally, the EU negotiates, at a first stage, trade and co-operation agreements, before considering their evolution towards association agreements. The latter provides for more intense co-operation, free trade after appropriate transition and the phasing in of the free movement of services, capital and persons.

Two of the countries concerned, Romania and Bulgaria, have more advanced links with the European Union. As far as Romania is concerned, on February 1, 1993, the EU signed a Europe Association Agreement, which was put into effect on February 1, 1995. The application of Romania for EU accession was submitted on June 22, 1995. The performance of Romania in the economic field, particularly with regard to macroeconomic stabilisation, is positive. On the other hand, the progress in the fields of privatisation, public administration, as well as in the banking and public finance sectors, has proven slow.

Bulgaria also signed a Europe Association Agreement with the EU, which was put into effect on February 1, 1995 and submitted an application for accession on February 14, 1995. Bulgaria is facing a considerable economic crisis. The GNP was reduced by 6% in 1996 and, in 1997, a 5% reduction is expected. The main priority of the Bulgarian authorities, in the field of monetary policy, is to control inflation. On March 17, 1997, the negotiations between the Bulgarian Government and the IF, with regard to a programme of economic stabilisation, structural reforms and the establishment of a Monetary Council, were completed.

Apart from the above agreements, the relations of the EU with these two countries are geared by the pre-accession strategy principles adopted by the European Council of Essen. It is useful to stress the fact that, as far as the relations between the EU and the associated countries of Central and Eastern Europe are concerned, the European Council of Essen has adopted a strategy with the following main features:

- the establishment of a multicultural structural dialogue between EU ministers and their counterparts from countries in Central and Eastern Europe
- the drawing up of a White Paper regarding legislation on Internal Market issues (free movement of goods, persons, services and capital). The extent to which the legislation of these countries is harmonised with the respective EU legislation will significantly affect the positive or

negative opinion of the Commission concerning the application of the candidate countries for accession

- the restructuring of PHARE resources with the adoption of indicative, long-range planning

According to the resolutions of the European Councils of Madrid, Florence and Dublin, concerning EU expansion, the European Commission has been reviewing accession applications since the completion of the Intergovernmental Conference of 1996. In reference to the countries of South-eastern Europe, which have not signed an Association Agreement with the EU, i. e., Bosnia-Herzegovina, Croatia, FRY, FYROM and Albania, the EU has decided, as mentioned above, to establish political and economic conditions, as a basis for a coherent and transparent policy towards the development of bilateral relations in the field of trade, financial assistance and economic co-operation.

A number of general conditions apply to all of the above countries, while specific additional conditions apply to certain ones, i. e. those relating to obligations arising under different peace agreements. A general condition consists of the undertaking, by the country concerned, of a genuine commitment to engage in economic reforms, significant steps toward co-operation with its neighbours and toward the establishment of open relations, including the free movement of people and goods. Other general conditions refer to: (a) a credible offer, by the country concerned, to develop genuine opportunities for displaced persons and refugees to return to their native countries and to re-admit nationals who are presently illegally in the territory of an EU Member State; (b) a commitment to engage in democratic reforms and to comply with the generally recognised standards of human and minority rights; and, (c) abstinence from generally discriminatory treatment and harassment of minorities by public authorities.

As early as 1992, the EU consummated a non-preferential Trade and Co-operation Agreement - without a financial protocol - with Albania. The above agreement contains an evolutionary clause, referring to the objective of an association agreement, when conditions are met. Both sides have also agreed on a political dialogue, in a Joint Declaration. FYROM has also become a beneficiary of PHARE and benefits from preferential access to the EU market and from the GSP for agricultural products. As far as the Federal Republic of Yugoslavia (FRY) is concerned, on April 24, 1997, the General Affairs Council finally adopted a European Commission's draft regulation for extension of autonomous trade measures to the FRY, for the year 1997. The above measures constitute preferential concessions, which provide for the exemption of customs duties and the abolition of quantitative restrictions - quotas - for industrial products, as well as special concessions for various agricultural products.

The decision for granting trade preferences to the FRY was accompanied by the adoption of a political Declaration by the Council, which justifies the time conjuncture and the reasons, which lead to the above decision, including relevant demand of the Serbian opposition, danger of collapse of the economy with unpredictable consequences for regional stability, and progress in the implementation of the recommendations included in the Gonzalez report.

On the other hand, the mentioned Declaration underlines the necessity for a full and speedy implementation of the Gonzalez report. This includes acceptance of the OSCE facilitation of the dialogue between government and opposition and the initiation of a political dialogue, a further improvement of the draft media law, as well as reform of the electoral law and independent operation of the judicial system. In the absence of progress by the FRY towards meeting these criteria, the Council may proceed to a revision of its decision to grant autonomous trade measures. In addition, the EU expects, from Belgrade, the invitation of a substantial dialogue with the Kosovo Albanians, on the status of Kosovo within the borders of the FRY and on the exercising of credible pressure on the Bosnian Serbs to co-operate in institution building and in bringing war criminals to justice before the International Tribunal.

In Croatia, the circumstances have not yet permitted the negotiation of an agreement similar to those with Albania and FYROM. Negotiations for a co-operation agreement with Croatia, and the application of the PHARE programme, were suspended following the Croatian military operation in the UN Protected Areas (Krajinas), in August 1995. Croatia's role in the implementation of the peace agreements and its record on human and minority rights have not yet permitted the resumption of negotiations and the implementation of the PHARE programme. More specifically, the resumption of negotiations is conditional upon the Croatian compliance with the obligations under the Basic Agreement on Eastern Slavonia, its co-operation with UNTAES and OSCE, the opening of the customs border between Croatia and Republika Srpska, and also upon evidence of credible pressure on the Bosnian Croats to dissolve Ilceveg-Bosna structures and co-operate on the establishment and operation of the Muslim-Croat Federation.

Regarding Bosnia-Herzegovina, negotiations for a co-operation agreement with the EU will not be possible before the establishment of operational institutions, as provided for in the constitution. Negotiations are also conditional upon the formulation of foreign trade and customs policy, the beginning of a credible process towards free movement of persons, goods and capital within the country, co-operation with the High Representatives on Brcko, evidence of the implementation of a truly united City Council in Mostar, and co-operation with the International Tribunal in bringing Bosnian war criminals to justice.

Greece is making great efforts to serve as a bridge of good will and stability in the Balkans and to promote the integration of the region to the European structures. It has undertaken specific initiatives in the wider context of the European integration process, so that the Balkan countries can be closely involved and associated with European institutions in the political, economic and security fields.

Greece has always maintained that the expansion process should be an open and transparent one, based on a balanced geographical approach in order to better serve the effort for stability in the Balkans. We feel that the Balkan States are steadily heading towards European integration

and we fully support this political choice. In the strong belief that the Balkan States are firmly attached to the European space, we support the need for significant EU economic assistance to these countries, with a view to speedily overcome the problems confronted in this period of transition.

Ambassador **Panayotis Vlassopoulos**, a graduate in Law from the University of Athens, joined the Diplomatic Corps in 1973. He served at the General Consulate of Greece in London (1976-1980) and the Embassy of Greece in Damascus (1980-1983), and held positions as Consul General of Greece in Alexandria (1983-1987), Cabinet Director of the General Secretary of the Ministry of Foreign Affairs (1987-1989), Deputy Permanent Representative of Greece to UNESCO (1989-1991), Head of the Greek Delegation to the European Commission Monitoring Mission in Yugoslavia (1991-1993), and Minister Counsellor of the Greek Embassy in Ankara (1993-1994). He is currently Ambassador of Greece to the Federal Republic of Yugoslavia.