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The EU and South-Eastern Europe: From asymmetrical inter-regionalism to dependent sub-regionalism?


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**ABSTRACT**

The decade following the end of the Cold War witnessed a remarkable increase of the inter-regional cooperation schemes. Whereas much of EU’s interregional relations are conducted under the pretext of mutual benefits and win–win solutions, the distribution of these benefits seems to be a function of the relative power positions of the EU vis-à-vis its counterparts.

This paper intends to look at the role of the EU during the post cold war period, as an external factor encouraging regional cooperation in South Eastern Europe to create circumstances that would not only limit national conflicts, but would also broaden the economic interdependence among the countries of the area.

The first part of the paper will offer an analysis of EU’s role in the development of regional cooperation in South-Eastern Europe in the 1990’s.

The second part will first look at the EU’s involvement in the formation of Stability Pact for South Eastern Europe (1999-2008) and will explore to what degree the Stability Pact contributed to the reinforcement of regional cooperation. Second will examine the implementation of the Association and Stabilisation Process since 2003 as a clear manifestation of a new kind of asymmetrical inter-regionalism: The cooperative hegemony approach. This involves the use of soft power through engagement in cooperative arrangements linked to a long-term strategy.

The third part will examine to what extent the EU –South East European relationship under the framework of the new emerging regional cooperation scheme of Regional Cooperation Council- which has replaced in 2008 the Stability Pact for South – Eastern Europe - should be perceived, after the admission of Bulgaria and Romania as full members of the EU, not as a type of inter-regionalism any more but as a process of promoting ‘sub-regionalism through inter-regionalism’ leading together with the European Neighbourhood Policy to the creation of a mega EU-led region extending not only from the “Atlantic to the Urals and the Caucasus” but from the “Barent Sea to Sahara desert” based on homocentric circles of integration.
Introduction

Cooperation between countries and attempts to create regional cooperation schemes are usually based on internal factors that are either political or economic. However, the creation of regional cooperation often comes from the early support and reinforcement by a power which is located outside of the geographical boundaries of this cooperation. A case in point is the process of European integration itself. In the post cold war period, the encouragement of European integration and the creation of intergovernmental and supranational institutions were greatly supported by United States foreign policy.

In South Eastern Europe, apart from a tradition of conflict, there is also a tradition of regional cooperation, which was established in the beginning of the 20th century by the conclusion of a Balkan coalition against the Ottoman Empire. Further Balkan cooperation occurred during the interwar period, and continued with the signing of the Balkan Pact in 1953. The main characteristic, though, of these cooperation schemes was the fact that a number of Balkan countries were creating either a political or a military coalition in order to confront another Balkan power, usually Turkey or Bulgaria. Only after 1976 did they start to form the conventions for an inter-Balkan cooperation, even on matters of low politics, to which, later, in the ‘80s, included matters of disarmament.

During the 1990s, this Balkan “paradox” continued. Despite violent national conflicts, a large number of initiatives aimed at encouraging regional cooperation were developed. Most of these were initiated by support and pressure from extra Balkan powers. Some of these initiatives, however, like the South East European Cooperation Process (SEECP), were put forward by countries in the region.\(^1\) Hence, a regional cooperation existed all through the last century despite the fact that almost all of the Balkan cooperation attempts followed instead of forming the events were remaining at the end initiatives of secondary importance with no visual results.

The EU played a major role in promoting and reinforcing regional cooperation in South Eastern Europe.

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Regional Cooperation in South Eastern Europe in the Post Cold War Period

The end of the Cold War signalled a new era for the countries of Central and Eastern Europe. Even though the double transition from a repressive, communistic system to a democratic, pluralistic one, and from a socialistic to an open-market economy proved to be an exceptionally difficult operation, it was not yet stigmatized by military conflicts. The countries of Central Europe and the Baltic managed to overcome their problems peacefully. By 1999, the Czech Republic, Hungary and Poland were already full members of NATO, while they along with Slovenia, Slovakia and the Baltic countries belonged to the first wave of the coming EU enlargement. In contrast, the countries of South Eastern Europe, with the former Yugoslavia at the epicentre, were involved in intensive nationalistic conflicts, with the risk of spreading the crisis to other countries in the area. Only the
Former Yugoslav Republic of Macedonia managed to avoid conflict, at least until 2001. Thus, at the beginning of the 1990s, the Balkans were once again considered the “powder keg” of Europe. However, the more recent interference by foreign powers in the area differed radically in relation to the earlier interference in the first years of 20th century. At that time, foreign powers were in competition to ensure their influence in the Balkans, and to obtain a bigger advantage in the international power correlation. The Balkan peninsula was strategically important for the mighty powers of the European continent.

In contrast, at the beginning of the 21st century, especially after the collapse of the Soviet Union, the strategic importance of the Balkans was dramatically decreased. The Yugoslav crisis and war in Bosnia (1992-1995) did not threaten the overall stability of the European continent. For this reason, the main concern of the EU and the USA was to contain the Yugoslav conflict. EU’s task also was to promote the development of its relations with Bulgaria and Romania through the signing of European Association Agreements. Their interference in the Bosnian War (1992-1995) and in Kosovo in 1999 had a double purpose: firstly, to prevent the spillover of the conflict into the wider area and, secondly, to devitalize a New Yugoslavia under the leadership of Milosevic.

But the war in Bosnia highlighted the incapability of the EU to efficiently face a crisis in its own backyard. The war in the Balkans divided Europe. Moreover, the EU, which was trying to forge at that period a common foreign and security policy (CFSP), was shown to be unable to face the Yugoslav problem. The reason being not only the reluctance of member states to agree on a common attitude, but the absence, as well, of essential means, such as military. The burden of managing the crisis in former Yugoslavia was taken on inevitably by the USA, which was the only power that had the necessary means to pacify the area.

The period 1991-1999, though, was not characterised only by military conflict, ethnic cleansing, regime reversal and the creation of new states, but also by the many attempts made to establish cooperation among the countries of the region. The most important of these were:

Firstly, there was trilateral cooperation, such as between Greece, Bulgaria and Romania, or Turkey, Bulgaria and Romania. In August of 1995, Greece, Bulgaria and Romania formed a flexible forum of trilateral cooperation at foreign ministerial level.

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During their annual meetings they discussed issues such as fiscal development, transport, energy, and communication. By 1998, the cooperation had extended to include internal security matters, such as combating organized crime and drug trafficking. At the same time, other trilateral meetings occurred, for instance, the one between Turkey, Bulgaria and Romania. During the crucial period 1991-1995, these trilateral meetings contributed to contact-building among Balkan countries, while maintaining a spirit of cooperation which has made possible since 1995 (after the Dayton Agreement for Bosnia and the signing of an intermediate agreement between Greece and FYROM), a new boost to multilateral cooperation among the countries of South Eastern Europe.4

Secondly, there was the South-East European Cooperation Process (SEECP). This initiative is the continuity of Balkan Cooperation, the creation of which the Greek government first supported in 1976, and was renewed in 1988 by the initiative of Yugoslavia. This new form was established in Sofia, in July of 1996, during a meeting of Foreign Affairs ministers of all Balkan countries. At this meeting it was agreed that cooperation would include: cross-border cooperation; commercial facilitation; assumption of common initiatives for combating organized crime, drugs and weapons trafficking, and illegal immigration; and promotion of environmental protection.

Despite the fact that there were some reservations regarding the necessity of such an initiative (even though the circumstances in the post-Dayton era were conducive to the promotion of Balkan cooperation), the process continued during the conference of Foreign Ministers in Thessalonica, in June of 1987. A declaration obligating the participating countries to encourage regional cooperation in South Eastern Europe was also signed. The Thessaloniki Conference had brought “high politics” to the agenda for good. It did so by focusing on enhancing stability, on strengthening of political co-operation and good neighbourliness, including security matters.

Following a Greek initiative, the first Summit of Balkan Peninsula countries took place in Crete from 3rd to 4th of July in 1997. This conference constituted a watershed in regional cooperation in the Balkan peninsula, not only because it was called at prime ministerial level, but also because it offered hope for the solution of bilateral issues that concerned the participating countries, for instance, Greek-Turkish antagonism or the Kosovo issue.

If cessation of hostilities in Bosnia led to progress within that country in 1997, the crisis in Kosovo in 1999 stultified this initiative. It proved that cooperation between the countries of the Balkan peninsula has innate weaknesses, the main one being that it cannot maintain stability and security in the region. The dynamic of regional cooperation did not manage to create the proper framework in order to establish a “community of security” in the region. Consequently, the Cooperation was not able, as was proved, to ensure stability in South Eastern Europe.

However, SEECP provides a forum for discussion and a common framework where common positions and joint declarations on the problems of the region can be taken. These meetings demonstrate that the countries in the area can cooperate, not only in promoting various projects, but also are making substantial efforts in solving difficult problems of an international nature within the region. SEECP is constituted by countries that most of them, if not all, have a clear sense of belonging in a specific geographical region that has acquired a “regional consciousness”. The attempts of creating the conditions of regional cooperation is not new, but they come from the past. Besides that, the area of the Balkan peninsula does not have to show just intense confrontation although it has been characterized as the “powder keg of Europe”. It’s “autonomous geopolitical space/area” neither arises only from the fall of the communist regimes, nor from the major problems that the collapse of the Yugoslav Federation has caused to the stability of the region; it arises mainly first from the fact that these countries found themselves in a security vacuum between Western Europe and the former Soviet Union, and second and foremost from the proximity and intensity of the relationships among the states of the region. The criteria of defining a "region" do not make judgements about the outcomes of regional activity and organization: these outcomes can as easily be an identification of frictions as an intensification of cooperation or integration. "The key element is proximity and intensity of relationships. Thus, the extent of 'common historical experience and sense of shared problems' could be said to be at its peak in areas such as the Balkans where there has been a history of destructive conflict". The process of multilateral cooperation amongst

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5 As with nations, so regions can be seen as imagined communities which rest on mental maps whose lines highlight some features whilst ignoring others. Discussions of regional awareness lay great emphasis on language and rhetoric; on the discourse of regionalism and the political processes by which definitions of regionalism and regional identity are constantly defined and redefined; and on the shared understanding and the meanings given to political activity by the actors involved. See A. Hurrell, "Regionalism in Theoretical Perspective" in L. Fawcett-A. Hurrell, (eds), Regionalism in World Politics, Oxford: Oxford University Press, 1995, p.41.

countries of South Eastern Europe is the oldest and sole quite autochthonous regional initiative in the Balkans and is linked with process launched back in the mid 1970's.  

However, apart from the above initiatives, which came from Balkan countries, there was also cooperation following initiatives by other countries, such as the USA and Italy. 

The absence of the European Union could be observed in these initiatives. It proved that the member states of the EU were incapable of playing a major role in preventing the conflicts in former Yugoslavia and of promoting forms of regional cooperation. The only initiative for cooperation in which the EU participated was the Royaumont Process. This process occurred through the dynamic of the European Stability Pact, which was signed in March of 1995, as a result of the Dayton Agreement peace process. The declaration of the Royaumont Process took place in December of 1995 in Paris.

EU – SEE relations (1999-2008) : An example of asymmetrical inter-regionalism

Following the end of the war in 1999, the international community decided to become more actively involved, not only for the recovery of political stability, but for promoting economic and political cooperation. The result of this decision was the establishment of the Stability Pact for SEE.

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8 The USA played a leading role in establishing the Southeast European Cooperative Initiative (SECI). The main goal behind the US-inspired SECI was to create a regional association which would encourage cooperation among participating countries and would facilitate their incorporation into European structures. SECI was founded in 1996 and its members were Greece, Romania, FYROM, Slovenia, Croatia, Bosnia and Herzegovina, and the Federal Republic of Yugoslavia, which later withdrew. The USA, Switzerland, Italy and Austria were the supporters. Seven *ad hoc* working teams were formed.
9 Italy was the initiator of another regional cooperation scheme: The Central European Initiative. The objective of the initiative established in November 1989 with the support of Italy, which was essentially formed after the meeting of Ministers of Foreign Affairs of the five initial participating countries - Italy, Czechoslovakia, Hungary, Austria and Yugoslavia (hence first named the Pentagonal Initiative) - in Venice in July, 1990, was to bring participating countries closer to the EU. In line with the initiative, several working groups functioned across a variety of fields, such as telecommunication, energy, transportation and immigration. In 1996, this initiative had sixteen members (Albania, Austria, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Italy, FYROM, Moldavia, Poland, Romania, Slovakia, Slovenia and Ukraine). This initiative had both political and economic dimensions. The main priority had been changed from its initial goal, which was to contribute to overcoming obstacles inherited from the Cold War.
11 The main goal of the Process was to achieve stability and good neighbourliness in South Eastern Europe through realizing a sequence of programmes and initiatives which would emphasize the promotion of inter-frontier dialogue and develop communication nets among representatives of regional civil society. This process was viewed as a precondition for the ostracism of national stereotypes and superstitions. Apart from southeastern European countries, this initiative included Hungary and Slovenia, and it was supported by the USA and Russia. Finally, the Royaumont initiative was included in the Stability Pact.
On the same time the EU formulated a comprehensive policy towards the West Balkan states: The Stabilisation and Association Process (SAP). The SAP was initiated in 1997, when the European Commission presented a new regional approach for the Western Balkans. This approach concerned mainly Albania and the group of former Yugoslavian countries, apart from Slovenia, Bulgaria and Romania which had already signed EU Association Agreements. So, regional approach actually defined the region that was later called the Western Balkans. At the Zagreb Summit, in November of 2000, this approach was adopted by other member-states and the means of concretisation were determined.

Both the Stability Pact and SAA are examples of asymmetrical inter-regionalism. Asymmetry stems from differences mainly in the economic filed like the advancing gap in economic prosperity, trade imbalance—with the exception of energy—at least those which are not members of the EU—as well from the dependence of all the SEE states and particularly Western Balkans countries on the development aid from the EU. Behind this EU strategy was laying both organisational and political motives. As Nicole – Alecu de Flers and Elfriede Regelsberger observe “the first related to the fact that the management of the CFSP, and in particular the dialogue commitments (both the group- to- group structures and the other numerous regular meetings with individual third countries), had reached its limits…. The other lime of reasoning had to do with the EU’s explicit desire to see intra-regional cooperation emerge as a key feature of the ‘new Europe’ “. Instead of the ‘indivisible’ national sovereignty, which was the cause of war, the SEE countries and especially the West Balkan states should transfer a part of their sovereignty on to regional and European institutions.

The reality of the asymmetric dependence has undermined the EU’s inclination to pursue a liberal inter-regional arrangement in terms of two “equal” regions (See diagram 1)

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For the EU as a global actor with ‘soft power’, the cooperative hegemony approach is an appropriate tool to explain EU inter-regionalism towards SEE, given EU strength in areas such as economy, provider of security, promoter of democracy and good governance through positive and negative conditionality. The cooperative hegemony approach involves the use of soft power through engagement in cooperative arrangements linked to a long-term strategy. Implicit in the strategy is the notion that states have freedom to devise strategies, to incorporate new ideas and to revise strategies. Under cooperative hegemony, institutions and ideas are combined to offer a framework through which a regional order is constructed. (See diagram 2)

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EU and the Stability Pact

The idea of the Stability Pact for SEE was not new. It had already become an object of the process, when the Royaumont Initiative came along. However, it should be basically charged to Germany, which was the country that suggested it during its EU presidency in the second half of 1999, as a reaction of the international community to the crisis in Kosovo. The Council of Ministers of the EU, during its meetings on 8th and 26th of April 1999, accepted the suggestion of Germany for the introduction of a stability pact, but details were not defined as the priority was to find a diplomatic solution to the crisis of Kosovo. Officially, the Stability Pact was adopted in Cologne during the Conference of Ministers on 10th June in 1999, in which more than thirty countries and many international
organizations took part, such as the UN, the OSCE, the Council of Europe, the International Monetary Fund and the World Bank, and it was adopted in Sarajevo on 31st July, 1999. The Stability Pact had undertaken to strengthen the countries of South Eastern Europe “in their efforts to foster peace, democracy, respect for human rights and economic prosperity in order to achieve stability in the whole region”. More specifically, the Stability Pact aims were:

Firstly, in the short term, to solve problems caused by wars in the former Yugoslavia.

Secondly, in the long term, to achieve political stability and total elimination of national conflicts through cooperation of countries of the region. The purpose of cooperation between the countries of the region, which the Stability Pact intended, was nothing more than one of the means the international community used, in order to maintain and entrench peace.

Thirdly, to increase inter-regional trade and to attract Foreign Direct Investments (FDI).

Fourthly, to ensure the adjustment of all the SEE countries to the necessities of international economic system and globalization.

Fifthly, to ensure the regional identity of South Eastern Europe emerges.

Finally, to promote the introduction of South East European countries into the EU.

From the very beginning the pact has made clear that regional co-operation represents an indispensable component and a precondition for the much-desired integration into EU and EU-Atlantic structures.

The institutions of the Stability Pact corresponded to those of the OSCE which were adopted in Helsinki in 1975. A supervising institution, named the “Regional Table of South Eastern Europe” was established to function as a coordinating mechanism at foreign ministerial level. Under its supervisory function three “working tables” within whose framework several issues have been distributed, such as democratizing and human rights issues. The First Table of the Stability Pact intended to reinforce democratic procedures and civil society.. The Second Table aimed at economic restructuring. The Third Table dealt with security issues, such as armament control, non-dissemination of weapons and contacts among military staff, reformation of defence and financial issues, humanitarian

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abrogation of mine-fields, preparation and prevention of catastrophes and issues of defence economy.

It should be seen, therefore, that the Stability Pact was not just a financing organization, but an informal political mechanism and a *forum* that coordinated actions between recipient and donor countries and international financing organizations. For the very first time, such an extended multilateral initiative was developed, in which almost the whole international community participated: countries, international organizations, non-governmental organizations and the private sector.

The Stability Pact had constituted an important international initiative, the framework of which the EU took a hand in administrating. Among the positive features of the Stability Pact are the density of connections among representatives of civil society in the region and the creation of networks for information exchange. The Agenda for Regional Action for refugee issues (which constituted the first example of real cooperation among the Federal Republic of Yugoslavia, Croatia, Bosnia and Herzegovina), the Memorandum for liberation and facilitation of trade that was signed by seven Balkan countries and Moldova, the Chart for media and the initiatives for social cohesion, the fight against organized crime, corruption and asylum of refuge contributed to the promotion of stabilization of the region. But above all, it should be accepted that the Stability Pact contributed to the formation of a common approach with signs of a common “conscience” among the states of the region for confronting their common problems.

However, it soon became obvious that the Stability Pact, despite the expectations that followed it, could barely achieve some of its basic aims, because:

Firstly, the inception was too wide and ambitious in scope, creating from the outset high expectations which were not fulfilled. Therefore, the ignorance of and the difficulty in comprehending this framework in the societies of South Eastern Europe, as well as the disappointment that ensued due to its poor results, were unavoidable. Secondly, it was not possible to adopt a wider plan for stable and long term development in the region. From the beginning, the Stability Pact focused on infrastructure projects, which brought more obvious benefits and were able to attract international capital, but the two other priorities, democratizing and security, were not sufficiently financed, as they were more vague and less profitable for financing.

Thirdly, a sophisticated and complex bureaucratic mechanism soon developed, while the absence of coordination was also obvious. The structure of the function of the Secretariat, as well as of the Offices of National Coordinators, was full of problems and
lacking in coordination for a long time. Not only the donor countries but also the recipient
countries did not initially have mechanisms for coordinating actions, initiatives, choices, or
for the control of programme absorbing. The difficulty of defining specific priorities with a
sense of regional development for each country was obvious.

Fourthly, its indistinct relation with other developing regional initiatives worsened the
cohesion of the international strategy in SEE. Many members of the Stability Pact had
suggested, *inter alia*, restricting programmes to those in which regional cooperation has
additional value, to rationalize activities, to increase the regional domination of the
Stability Pact and to reinforce it through other existing regional initiatives.

Consequently, despite a significant attempt to promote regional cooperation in SEE
through the Stability Pact this enterprise was unsuccessful because:

Firstly, most of the regional cooperation, apart from the South Eastern Europe
Cooperation Process (SEECP), could not be considered to have as an “cause” the
economic factors that defined the new wave of regional cooperation - their *raison d’être*
was the “imposition” of cooperation by extra-regional powers aiming to create
circumstances which would not worsen the situation, but would create efficient stabilizing
conditions as well as re-establish communication lanes (inter-governmental or not). In fact,
their objectives were deterrent and defensive. They did not have the ambition to contribute
to the creation of a regional cooperation with long-term horizons for integration and
development of interdependent forms, no matter how high expectations were shaped by
initial declarations.

Secondly, there were many initiatives with different compositions and objectives,
while a large number of countries, institutions and international organisations were
involved in several undertakings. It was highly doubtful that so many institutions,
international organisations and countries could possibly be coordinated successfully
without a concentrated conduction, which many were reluctant to accept anyway.

Thirdly, the economic results were poor. Even though, within the framework of the
Stability Pact, a Comprehension Memorandum signed on June 2001 for liberalising and
facilitating trade in South Eastern European countries as well as Moldova, Bulgaria and
Romania with the commitment to contract bilateral agreements for constituting a Free
Trade Area (so that all countries would be covered at a time when the break-up of the
Republic of Yugoslavia was making the constitution of a multilateral Free Trade Area well
nigh impossible), inter-regional trade continued to be limited, as was the rate of growth of
Foreign Direct Investments.
Fourthly, cooperation in low-politics issues did not spill over into developing cooperation policy. Economic cooperation is the most expedient method for building peace, based on the successful example of the way that the EU was developed. However, none of the collaborations created at that time that were based on developing cooperation in low-politics issues managed to contribute in a determined way, overcoming just declarations, to prevent conflicts and to establish security. Consequently, economic cooperation on its own could not lead to regional cooperation in SEE. If it was not combined with the necessary political will or the establishment of appropriate political circumstances to create an environment of political cooperation, rather than disagreement, it could not develop. Regional cooperation in SEE could, of course, assist in the creation of such an environment, but it appears it was not able to do that at least through the Stability Pact.

_The Stabilisation Association Process (SAP) : An example of hybrid ‘constructed” inter-regionalism_

The Stabilisation and Association Process (SAP) constitutes the basic framework of EU policy for the Western Balkans.

The region of the Western Balkans that was formed through the SAP could be viewed as an example of a hybrid asymmetrical inter-regional cooperation.

Hybrid inter-regionalism could take three forms. First is referring to relations between regional groupings and single states (e.g. EU-Russia, ASEAN–Australia) (see diagram 3)

Diagram 3
The second type of hybrid inter-regionalism refers to the creation of institutional arrangement between major representatives of two or more regions which claim regional leadership. A clear example is IBSA, the trilateral, developmental initiative between India, Brazil and South Africa to promote South-South cooperation. ¹⁷ (See diagram 4)

**Diagram 4**

HYBRID INTER-REGIONALISM
WITH LEADER STATES FROM DIFFERENT REGIONS

The third type of hybrid inter-regionalism refers to the relationship between a formal regional group/regional organisation and a ‘constructed’ regional group. The ‘constructed’ regional group is usually set up by countries which have been obliged to form a regional group in order to be able of cooperating with a formal regional group. ¹⁸ A clear example is the relations of EU with the ACP countries under the framework of the Cotonou Agreement and the Euro-Mediterranean Partnership (EMP). (See diagram 4)

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¹⁷ The launching of the IBSA Dialogue Forum was formalized through the adoption of the "Brasilia Declaration" in June 2006. The main objectives of the IBSA Dialogue Forum could be summarized as follows: to promote South-South dialogue, cooperation and common positions on issues of international importance, to promote trade and investment opportunities between the three regions of which they are part, to promote international poverty alleviation and social development, to promote the trilateral exchange of information, international best practices, technologies and skills, as well as to compliment each others competitive strengths into collective synergies, to promote cooperation in a broad range of areas, namely agriculture, climate change, culture, defence, education, energy, health, information society, science and technology, social development, trade and investment, tourism and transport. The IBSA Dialogue Forum has regular consultations at Senior Official (Focal Point), Ministerial (Trilateral Joint Commission) and Heads of State and/or Government (Summit) levels, but also facilitates interaction amongst academics, business and other members of civil society.

SAA is another asymmetrical hybrid ‘constructed’ inter-regionalism as Western Balkans were almost forced to engage in some sort of regional coordination in order to deal with the EU and its member states. However, other approaches interpret the “construction” of the Western Balkans as a result of the necessity to separate Romania and Bulgaria. These two countries were expected to accede to the EU, unlike other Balkan countries that still had many problems to face.¹⁹

Undoubtedly EU dictates much more of the conditions for inter-regional cooperation.²⁰ As Helge Hveem has noticed the dynamism in the contemporary inter-regional relations may probably be interpreted along two dimensions: The first is related to hegemony and sees inter-regional activism as an expression of the hegemon’s strategy²¹

²¹ This could explain how the EU negotiates with the relatively strong East Asian region and how to the weak West Balkans.
and the second as a response to it by other actors. In cases of highly asymmetrical relationships inter-regionalism may generate unintended collective identity-building.

The basic objective of SAP is to achieve stabilisation of the Western Balkans and its rapid transition to an open market economy. It helps the countries of the region to reinforce their ability to adopt and to apply the European practices, including Community acquis, as well as international standards intending to create appropriate circumstances for the admission of Balkan countries into the EU. Consequently, all Balkan countries are considered for accession to the EU. Croatia has already started accession negotiations and has signed a Stabilisation and Association Agreement (SAA) on 29 October 2001. This agreement entered into force only on 1 February 2005. FYROM has already been recognised as an applicant country. A Stabilisation SAA was signed in Luxembourg in April 2001 and entered into force in April 2004. The SAA with Bosnia and Herzegovina was initialled on 4 December 2007. Nonetheless, the signature of the SAA is depending on progress in addressing four key priorities, notably police reform, ICTY co-operation, public broadcasting and public administration reform. Albania signed a SAA with the EU on 12 June 2006 in Luxembourg. The Stabilisation and Association Agreement (SAA) between the EU and Serbia was initialled on 7 November 2007, in Brussels but it has not been signed yet as it has been linked by the Serbian government with the issue of Kosovo. Montenegro, after about one year of negotiation has signed a SAA with the on 15 October 2007.

One of the major aims of SAP is to achieve objectives, such as respect for international law, state of right, democratic principles, human rights and right of minorities. Moreover, it aims to create bilateral FTAs as a condition of accession and the confinement of national disputes and interstate competition (imposition of democratic peace).

The real boost to SAP was given in June of 2003, when the Thessaloniki Summit redefined SAP and added a range of means inspired by pre-acceding process, aiming to support and reinforce all the necessary reforms that should be realized in order that the

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23 Such perceptions, which tend to denounce the behaviour of the superior organisation in terms of paternalism or even neo-colonialism, inevitably produce backlashes by encouraging the weaker organisation to develop its own set of collective symbols and mythology in explicit opposition to the other side. See J. Rüland, *ASEAN and the European Union: A Bumpy Interregional Relationship*, ZEI Discussion Paper C95, Zentrum für Europäische Integrationsforschung, Center for European Integration Studies. Rheinische Friedrich Wilhelms-Universität Bonn, 2001, p.9.
approach of Western Balkan countries to the EU would be unencumbered. The most important of these new means was the European Partnerships which were supported by the Accession Partnership of Central and Eastern Europe. European Partnerships did in fact include a wide range of means, such us commercial concession, economic and financing assistance (CARDS program), as well as Stabilisation and Association Agreements.

Another objective of SAP is the promotion of regional cooperation, especially for regional commercial integration. The countries of the Western Balkans realise that regional cooperation is neither an end in itself nor a substitute for accession to the EU, but, in contrast, it constitutes a major part of conditions for their entry into the EU. The EU did not just encourage regional cooperation, but demanded it before moving to commercial and other concessions with Western Balkan countries.  

However, in other neighbourhood states, like Ukraine, Moldova and the Caucasus states as well as the Third Mediterranean states, the EU has formulated in parallel another policy. The European Neighbourhood Policy (ENP). The main emphasis is not only on encouraging the countries to cooperate with each other, but on encouraging each to undertake economic and political reforms, in an attempt to influence their internal and external policies. Bilateralism is clearly predominant over regionalism.  

After the Thessalonici Summit, the programme for regional cooperation, which had significantly cooperated with the Stability Pact and other regional initiatives, marked impressive progress. However some analysts point out that the results were mixed. “Concentrated assistance has not provided a strang momentum behind economic recovery or the emergence of states with the capacity to effectively tackle major structural problems”.  

The sectors of cooperation among the West Balkan states that have advanced within the framework of the SAP and, consequently, have also been contributed to by the EU, are the following:

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26 K. Smith, “The EU and Central and Eastern Europe: The Absence of Interregionalism”, *European Integration* Vol. 27, No. 3, 2005, p.360. The neighbours are being asked to adopt much of the *acquis communautaire*, to embrace the values and norms of the EU, and to commit to political reform towards the goal of creating a system that is a mirror image of the European Union in its normative design and value systems. See M. Farrell *The EU and Inter-Regional Cooperation: In Search of Global Presence?*, *op.cit.*, pp.25-26.

Trade

The European Union has already pressed the countries of the Western Balkans, in line with the Stability Pact, to create a network of bilateral Free Trade Agreements with the signing of a Memorandum in 2001 for the liberalisation and facilitation of trade. The results initially have not been impressive. In spite of the fact that mutual transactions increased significantly, notwithstanding, the level of inter-regional trade continued to be low. In addition, the application of bilateral agreements was not always satisfactory.

With the encouragement of the EU, the Ministers of Trade of South Eastern Europe met in Sofia in June of 2005. At this meeting it was decided that the existing free trade networks should be transformed into a free trade area. This came true with the evolution of the Central Europe Free Trade Area (CEFTA) which was established in 1993 and included the Czech republic, Hungary, Poland, Slovakia, Slovenia, Romania, Bulgaria, Croatia and FYROM. As the ultimate objective was the liberalization of inter-regional trade, the Agreement foresaw the total abrogation of tariffs as well as all obstacles equivalent to tariffs for industrial products until January of 2001. For agricultural products it was decided there should be a mutual preferential status only for certain amounts of products. After the accession of the first four countries to the EU in April of 2004, the other member-states of CEFTA along with the remaining countries of the Western Balkans (Serbia, Montenegro, Bosnia-Herzegovina, Albania, as well as Moldova) and Kosovo (represented by UNMIK) at their meeting in Bucharest, with the encouragement of the European Commission and the Stability Pact, agreed to negotiate for a new single free trade area. The new CEFTA 2006 was signed in December of 2006 in Bucharest. Bulgaria and Romania, after their accession to the EU in January of 2007, ceased to be members of CEFTA. It was also agreed by the member states to apply programmes for reducing or abrogating non-tariff barriers and to attempt to achieve further harmonisation of trade regulations in the sector of providing services, to establish competition regulations for state supplies, for protection of royalties, for trade of services and for other sectors. The European Commission supported these initiatives and was committed to providing advice and

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technical assistance so that inter-regional cooperation proceeds in total harmony with the route to European integration.

However, it is doubtful whether the establishment of a Free Trade Area among the countries of the Western Balkans, including Moldova, could constitute an important core of regional cooperation. The establishment of a free trade area is, of course, the most usual way for development of regional aggregations. But the new CEFTA 2006 does not seem to have long term objectives as long as:

Firstly, the FTA does not intend to be anything more than a waiting room for accession to the EU, which means that following the integration of member-states into the EU, the FTA would be unlikely to last for long. The main priority of member-states is not the development and the reinforcement of the FTA, but their participation in the EU. Consequently, they do not seek through the FTA to develop the core of a wider regional aggregation. Their objective seems to be, on the one hand, to adjust their trade to the new reality arising from the enlargement and, on the other, to prepare them for their accession to the EU.

Secondly, it is not certain whether the member-states consider that they have additional competitive interests, as far as attraction of foreign capital or the possibilities for infiltrating Western markets are concerned.

Thirdly, the Free Trade Area has not provoked the interest of enterprising circles of member-states and (apart from an augmentation of inter-regional trade) no notable capital movement between countries has been observed. The enterprises seem to trust or to wish to cooperate with Western enterprises rather than with enterprises from other countries of the FTA. The initiatives for economic cooperation, and especially the FTA, do not aspire to play a major role in security of the wider region of South Eastern Europe. It is expected that the augmentation of commercial inter-regional transactions and the improvement of their conduction will improve economic conditions and economic interdependence. On the other hand, though, there are also difficulties in realising this FTA, because of existing problems in the region, such as the problem of Kosovo and the unsettled situation in Bosnia. These problems inevitably deter the creation of a “community of security”.29

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29 For the existing problems of the liberalisation of trade see R. Grobas, *Integrating the Balkans in the European Union: Addressing social capital, the informal economy and regional co-operation challenges in Southeast Europe*, Athens: Hellenic Foundation for European and Foreign Policy, OPO6.02, 2006, pp. 30-32.
**Handling crises**

The EU proved to be efficient in the line of Common Foreign and Security Policy (CFSP), in order to avoid the break-up of FYROM in 2001, while it contributed to the peaceful separation of Serbia-Montenegro and to avoiding the repetition of national conflicts that happened in Kosovo in 2003. The EU continued to be present in missions for preserving peace and preventing conflicts. It undertook military missions from NATO in the Former Yugoslav Republic of Macedonia and in Bosnia and Herzegovina, and it maintained police missions in these two countries. Finally, the Council of Europe on 16 February 2008—two days before Kosovo declares its independence—has decided to launch the European Union Rule of Law Mission in Kosovo—“EULEX Kosovo”. A 1800-1900 strong mission had already approved by the European Council on 14 December 2007. This was later increased to 2000 personnel.\(^{30}\)

The demonstration of great interest in this region was a clear indication that the EU as an external factor intends, as first priority, not only to manage and to prevent conflicts but also to deal with problems peacefully through cooperation among countries of the region. However the EU was unable to agree on a common position regarding the issue of recognizing the Kosovo’s independence. The Council noted that Member States will decide, in accordance with national practice and international law, on their relations with Kosovo.

**Return of refugees**

This problem is an important parameter of the EU human security policy in the region, as well as a major issue on which the EU has been insisting that progress should be marked on a regional level. In January of 2005 in Sarajevo, with the support of the European Commission and of other international interested parties, Bosnia and Herzegovina, Croatia, Serbia and Montenegro were committed to combine their forces in order to solve this problem.

**Justice, freedom and security**

There had been several initiatives for these issues, the fight against organized crime and the management of borders. These actions could promote regional police cooperation

on issues that aim to improve the abilities of cross-border police cooperation and tariff services, the support of the regional centre SECI in the combat of cross-border crime and the establishment of substantial regional cooperation of attorneys for cases of organized crime and of crimes pertaining to corruption. The regional program for asylum and immigration policies which has been recently accomplished, could be accompanied with all the necessary measures at a national level.

**Parliamentary cooperation**

In this field, regional cooperation was significantly improved thanks to the recent conference of the Committee of European Integration of the Parliaments of the Western Balkans and the Parliamentary forum Cetinje. However, a lack of coordination has been noticed amid the Parliaments of the Western Balkans. Consequently, it is necessary, as the European Commission illustrates, there needs to be realized an expertise program of common strategy for the parliaments of South Eastern Europe, aiming to promote European integration.

**Energy**

The greatest progress seems to be marked in this sector. In Athens, on the 25th October of 2005, within the framework of the Athens process entitled, “The Convention for the Energy Community between the EU and the countries of South Eastern Europe”, there was created the basis for a cohesive regulating area in the sector of energy. The EU will focus progressively even more on the attempts to ensure connections between international energy networks, including oil pipelines in the above area.

**Overland transport**

Much progress was made in this field, when in June of 2004 an Agreement Memorandum was signed for the development of basic regional transport networks in South Eastern Europe. Moreover, in December of 2005, an agreement for a European Common Aviation Area (ECAA) was agreed by the countries of the region and the European Commission.

**Protection of the environment**

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31 The inter-parliamentary forum Cetinje was established in 2004 and are participating representatives from the National Parliaments of Albania, Croatia, FYROM, Greece, Montenegro, Bosnia–Herzegovina, Serbia, and the Parliamentary Assembly of OSCE
In this field of cooperation, the European Commission plays a major role aiming at the establishment of regional cooperation through the development of a Regional Programme of Environmental Cooperation, which will provide the suitable background for environmental action to be taken on a regional level. All the countries of the region participate in this process and in the Environmental Compliance and Enforcement Network for Accession (ECENA).

Preserving heritage

The European Commission has drawn up a programme for Cultural and Natural Heritage in South Eastern Europe, which is implemented in common with the Council of Europe contributing decisively to cooperation on this issue with Eastern Balkan countries. More than 160 monuments and archeological cites were expected to be reconstructed within the framework of this programme.  

From asymmetrical inter-regionalism towards a dependent subregionalism: The Regional Cooperation Council as a mechanism of SEECP transformation

Following a wide consultation process with countries of SEE, the Stability Pact’s highest decision-making body – the Regional Table in Belgrade in May 2006 – took the decision on the transformation of the Stability Pact into Regional Cooperation Council (RCC).

The RCC, founded in February 2008. The members of the RCC are Participating States of the South East European Co-operation Process (SEECP), the United Nations Interim Administration Mission in Kosovo (UNMIK) on behalf of Kosovo in accordance with United Nations Security Council Resolution 1244, the European Union (EU), represented by the Troika, consisting of the EU Presidency, the European Commission and the Council Secretariat, as well as those donor countries, international organisations and international financial institutions substantially and actively engaged in support of regional co-operation in South Eastern Europe.

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means that South Eastern European countries will have to accept that the promotion of regional cooperation lie first and foremost in their hands and it is their own responsibility and they have to act accordingly. At the end of the this process of enhancing regional ownership and streamlining the task forces and initiatives established under the auspices of the Stability Pact, the leadership and management of many processes has passed into the hands of regional bodies, several of which have been created for this specific task.\textsuperscript{34}

The tasks of the RCC are defined as follows: to sustain focused regional co-operation in SEE through a regionally-owned and -led framework; to provide political guidance to and receive substantive input from relevant task forces and initiatives active in specific thematic areas of regional co-operation; to promote European and Euro-Atlantic integration; and to provide guidance to the Secretariat of the RCC and its Secretary General.\textsuperscript{35}

Since 2003, the European Commission has pointed out that «the Western Balkan countries will have to be gradually encouraged to take upon themselves the regional cooperation through initiatives, such as SEEC\textsuperscript{36}

The RCC will have a Secretariat and as General Secretary has been selected the former Deputy Minister of Foreign Affairs of Croatia, Hido Biscevic. The General Secretary will also assist the country holding the presidency of SEECP. The Council has its head office in Sarajevo.

The main duties of the RCC will be:

Firstly, handling and coordinating the programmes that are funded by international donors. Six basic fields of action have already been designed, which refer to economic and social development, infrastructure, justice and Home Affairs, security co-operation, building human capital and Parliamentary Co-operation Social cohesion and gender mainstreaming will also be given due attention. Particular emphasis is placed on the role of civil society actors in regional cooperation. These processes constitute the backbone of regional co-operation. Furthermore, most of these activities and initiatives already benefit

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\textsuperscript{34} Final Report f the Special Co-ordinator on Regional Ownership and Streamlining of Stability Pact Task Forces and Initiatives, Special Coordinator, The Stability Pact for South- Eastern Europe, Sofia, 27.2.2008, p.19


from regional ownership, and are designed to meet the priorities for cross-border co-operation identified by the region itself.\textsuperscript{37} While they used to co-operate within the framework of the Stability Pact, they now move under the RCC umbrella. These activities will build on recent achievements such as the creation of a regional free trade arrangement (CEFTA), the establishment of an Energy Community for South-East Europe, the signing of a European Common Aviation Area agreement, as well as on other ongoing regional cooperation activities.

Secondly, supervising, coordinating and implementing the political decisions of the SEECP that deal with matters of regional cooperation in South East Europe. The most important preconditions for a sustainable regional co-operation framework in SEE are: a strong involvement of both the South East European countries and the EU; full political commitment by the countries of the region; and involvement of the non-EU donor community during the transition process towards regional ownership.

Thirdly, supporting and preparing the summit conferences and assemblies of Ministers of SEECP. In other words, without official declaration, the RCC will act as Secretariat of the SEECP.

Fourthly, organizing high level meetings among all South Eastern European countries, the Troika of the EU and the countries that will contribute to the budget of the RCC.\textsuperscript{38}

Therefore, inter-regional dialogues like the RCC may promote “regionalism through inter-regionalism” or even “sub-regionalism through inter-regionalism” One of the implications is that region-building, leading to such inter-regional relationships, is creating its own dynamic of more region-building.\textsuperscript{39}

Inter-regionalism is not only fundamentally cooperative in nature, intended to bring benefits to both parties through voluntary negotiations but it could be perceived also a) as a

\textsuperscript{37} From a conflict prevention and confidence building initiative in South Eastern Europe to a regionally-owned Regional Co-operation Council. See http://www.stabilitypact.org/about/SPownershipprocessPortal.asp


product of asymmetrical relationship, and b) as an expression of the hegemon’s strategy or as a response to it by other actors.

SEECP in full cooperation with the RCC (especially after the admission of Bulagaria and Romania as full members of the EU) and with full correspondence to the SAP in which the Western Balkan states participate, could be transformed into a sub-regional cooperation within the EU. The creation of the CCR and the potential dynamism of SEECP could be considered as an attempt of creating a new sub regional cooperation scheme through an inter-regional process between the EU and the West Balkans. The term ‘subregionalism’ has been adopted in order to distinguish the higher levels of regionalism like the EU from the lower levels of micro-regionalism (‘sub-subregionalism’ or , in certain cases, ‘sub- states regionalism’) promoted by national and subnational actors. Or sub-regionalism intensifies the interactions among nodes (states or parts of states) that transcend national borders within and beyond a macroregion.

This means that the Balkan sub-system will be prominent as an “autonomous geopolitical region”, with SEECP as a leading actor and with certain needs and interests which will have to be fulfilled within the EU's boundaries. Its prominence as an “autonomous geopolitical region” has not only emerged because of the serious problems to the stability of the region after the collapse of Yugoslavia. It is not even attributed to the geo-economic role which SEECP was asked to play in the region for the delivery of the energy resources from Central Asia and the Upper Caucasus to Western Europe. It is mainly attributed to the regional consciousness which developed in the region through the last two centuries. A clear sense that the states of South Eastern Europe belong to a region which obtains a "regional identity". This, however, does not concern all South Eastern countries, like Romania and Croatia. This “regional identity”, despite the differentiations and the rivalry between the states of the region, has many common elements which make SEECP capable of becoming the most important forum of regional cooperation in South Eastern Europe.

The question, however, of whether this regional consciousness is enough in order for the region to act within the EU, remains to be seen. As Ettone Greco rightly observers “The

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The challenge facing the EU is not only to act as a political force of attraction and engine for regional integration, but also to prove itself an effective actor not only in managing but also in resolving conflicts." The unstable situation in Kosovo, Serbia, Bosnia Herzegovina and FYROM are problems that without doubt are undermining the EU’s hegemonic project for the Western Balkans.

If the RCC through its close cooperation with the SEECP is really take off in the following months then we would be able to assume that a new process is emerging: The EU by developing close economic and political inter-regional links with non-member states or potential member states, as is the case of the West Balkans, is creating in the periphery of the EU a “necklace” of sub-regional cooperation groups linked with the EU on a dependent, diffused, ‘soft’, elastic and differentiated basis. In the South for example, the EU has long supported South-South economic integration and successfully assisted Egypt, Jordan, Morocco and Tunisia to conclude the Agadir Regional Free Trade Agreement that was signed on 25 February 2004. The Agadir process, which brings together Egypt, Jordan, Tunisia, and Morocco, could become a precursor to an Arab free trade area.

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45 The shifting discourses and conflict among the various ethnopolitical groups have created cycles of crises that have, in neo-Gramscian terms, undermined the formation of a historic bloc, and thus the EU’s hegemonic project remains open-ended. See M. Türkes - G. Gökgöz, “The European Union’s Strategy towards the Western Balkans: Exclusion or Integration?”, East European Politics and Societies. Vol. 20, No. 4, 2006, p. 688.
Diagram 5
The dependent “necklace” sub-regionalism

Conclusions

The EU, although unable during the first decade after the end of the Cold War to act with remarkable results in the South Eastern European region, mainly because of its obvious weakness in dealing successfully with the conflicts in former Yugoslavia, has, however, shown notable activity in subsequent years. The EU as an external actor has contributed in various ways to the development of initiatives for the strengthening of regional cooperation in the SEE. The creation of the Royaumont Process and of the Stability Pact in 1999 gave the EU the opportunity (due its role in the management and the implementation of the Stability Pact), to promote regional cooperation, especially in the commercial and the economic sectors with some success. The establishment of the Stabilization and Association Process which was initiated back in 2000 and took its final shape in 2003 with the Thessaloniki Agenda, gave a new boost to Regional
Cooperation. The experience of the 1990’s seems that had indeed forged a broad consensus among the EU member states regarding their policy towards the Western Balkans. 46 The Stabilization and Association Process provided the countries of the Western Balkans with the prospect of becoming EU members under the condition (among other presumptions), of reinforcing regional cooperation. The formation in 2008 of the Regional Cooperation Council (successor of the Stability Pact) with the encouragement of and at the urging of the EU, through the implementation of the principle of regional ownership, will lead to the strengthening and the upgrade of the unique regional forum in which all the states of the region participate, that is to say of the SEECP. Therefore we could conclude that the EU as an external factor played an important role during the first decade of the 21th century in the SEE region. It promoted regional cooperation by promoting asymmetrical inter-regional relations with the SEE states of the area initially through the Stability Pact. Later by developing an hybrid ‘constructed’ inter-regionalism through the SAP managed to bring the West Balkan states more close particularly in the trade sector (CEFTA 2006). However, a ‘tough love’ strategy 47, based on a firm but fair application of the conditionality principle, is one sufficient way to lead to the integration of the Western Balkans into the European mainstream but not the only one. It has been recognised that regional ownership could be an effective tool as well. Therefore, the transformation of the Stability Pact to the RCC in 2008 seems by promoting sub-regionalism through inter-regionalism to contribute of the SEECP emergence as the leading regional cooperation scheme of the SEE echoing the voice of the region in the EU.
