EU’s Conditionality Mechanism in South East Europe – Lessons Learned and Challenges for the Future

Sandro Knezović

ABSTRACT

One may argue that the conditionality mechanism should be considered as one of the most successful tools at the EU’s disposal when assessing the way it affects the transition processes in post-communist countries and contributes to their success and pace in general. At least, it seems to have proven to be efficient in the case of the countries of the so-called 5th enlargement. However, very few analyses about its impact on the transitional processes in the region of South East Europe have been conducted, while the complexity of the situation there highlights the need to do so, indeed. Therefore, this paper will assess the impact of conditionality mechanism on aforementioned processes in that region, trying to analyse EU’s policies towards it before that mechanism was introduced as well, thus opening a space to use the comparative analysis of periods before and after its introduction. Furthermore, it will provide an in-depth analysis of the phenomenon of the conditionality mechanism as such, compare its impact on some countries that have already joined the EU to the impact on various stages of transitional reforms that countries in this part of Europe are currently experiencing. As a conclusion, it would attempt to provide the evaluation of usefulness of the conditionality mechanism in South East Europe up to now, define its major achievements as well as the problems experienced so far, providing some recommendations for improvement.

KEY WORDS: conditionality, South East Europe, EU, transition, reforms process, integration.

1 Correspondence Address: Sandro Knezović, Ph.D., Institute for International Relations, Lj.F. Vukotinovića 2, 10000 Zagreb, Croatia, e-mail: sandro@irmo.hr

ISSN 1855 -7694 © 2009 European Perspectives, UDK: 327 (4)
INTRODUCTION

As it is already well known, the security dysfunctions in South East Europe during the early nineties represented a serious challenge to the stability not only in the region, but to its closer and wider surrounding as well. One may conclude that the European Union\(^2\) showed modest capacity to tackle this problem and stabilise the growing challenge \textit{de facto} in its own backyard. Hence, only after the decisive involvement of the United States\(^3\), the preconditions for conclusion of the Dayton Agreement\(^4\), termination of armed conflicts and redefinition of relations within the region were created.

However, notwithstanding the importance of aforementioned achievements, it is difficult to argue that the period that followed represented the era of democratisation and intra-regional normalisation of relations that should have led to the long-term stabilisation of the region and its sustainable economic development. The seriousness of general situation in South East Europe seems to be even more visible when analysing the reforms process there in comparison with the one in Central and Eastern European countries. Namely, ex Yugoslav republics, especially some of them, were showing the biggest transitional potential during the early nineties\(^5\), whilst obviously lagging behind almost all other countries of the former communist block at the turn of the new millennium. Furthermore, while some of these countries were already in the middle of the process of European integration, when it comes to the region in question, the same process had not even started yet at that time. On top of that, there were significant indicators warning about the fact that South East Europe at that time still represented a serious challenge to the European security in general. Apart from the dramatic increase in xenophobic nationalisms, followed by armed conflicts and other negative repercussions that kind of scenario entails, the region was burdened with serious economic stagnation and backwardness\(^6\) as well as with the process of mushrooming of different ‘non-military’ threats.

\(^2\) Further in the text – the EU.
\(^3\) Further in the text – the US.
\(^4\) The General Framework Agreement for Peace in Bosnia and Herzegovina, see the full text at the Official Website of the Office of the High Representative and EU Special Representative, http://www.ohr.int/dpa/ default.asp?content_id=380
\(^5\) This is mainly due to the fact that both the market and the political system in former Yugoslavia were more open and closer to standards of democracy and free market economy in the West then those in the countries of the Warsaw Pact.
\(^6\) The armed conflicts led to termination of economic activities, downfall of GDP, industrial and agricultural production, as well as to significant increase of unemployment, poverty and a number of other economic distortions that were not showing any recognisable signs of serious improvement in the post-Dayton period.
to national and regional security (corruption, organised crime, illegal trade of weapons, narcotics, humans etc.).

Given the difficult post-conflict legacy and intra-regional animosities, it was highly unlikely that the initiative for long-term stabilisation would come from the region. Owing to relative reluctance of the US to invest more energy into the stabilisation of the region, even after the Dayton Agreement, it was obvious that the EU was supposed to take the responsibility for regional stabilisation of South East Europe.

Furthermore, during the last decade the EU had entered ‘the final stage’ of its political unification and its process of gaining recognisability at the international arena, with the Maastricht Agreement and the inauguration of Common Foreign and Security Policy as one of its pillars. A failure to resolve the crisis earlier in the nineties, coupled with the fact that it was practically impossible to gain global political significance without the ability to ensure stability in its own backyard, gave EU no other option but to try investing resources and know-how into it.

Among various ideas, concepts, initiatives and mechanisms, it appears that one was more successful than others – the conditionality mechanism. Unlike the rest, it seems to have managed to stimulate the initiation of the reforms process in the region with various levels of achievement, depending on the capacity of each country. Already well known, and thoroughly analysed, as the EU’s reliable tool from the 5th enlargement, it still represents a very important factor of the long-term stabilisation of the South East Europe. But it also faces some limitations caused by a different and more complex political and economic reality in the region as such, and sometimes it even seems insufficient in overcoming them.

The reasons listed above, together with the fact that we do not get to see its detailed assessment very frequently, without elaborating again on the aforementioned complexity of the region and its transitional processes, jointly represent

---

7 The Treaty on European Union (TEU) – the so-called Maastricht Treaty, represents a new stage in European integration since it opens the way to political integration. It creates a European Union consisting of three pillars: the European Communities, Common Foreign and Security Policy (CFSP), and police and judicial cooperation in criminal matters (JHA). The Treaty introduces the concept of European citizenship, reinforces the powers of the European Parliament and launches economic and monetary union (EMU). Besides, the EEC becomes the European Community (EC). See other details and full text of the agreement at the Official Website of the EU - http://europa.eu/legislation_summaries/economic_and_monetary_affairs/institutional_and_economic_framework/treaties_maastricht_en.htm
a stimulus strong enough to modestly attempt to provide a comprehensive analysis of the conditionality mechanism in South East Europe in this paper.

**EU and the Region prior to the Introduction of a Functional Conditionality Mechanism**

Responsibility of the EU for the post-conflict stabilisation of South East Europe within the framework of transatlantic partnership became self-understandable immediately after the conclusion of the Dayton Agreement. Therefore, from the beginning of that period the EU have invested a significant amount of energy into articulation of its political presence in the region.

Despite the fact that the situation in the region in the early post-conflict period did not seem promising at all, it was obvious that the termination of armed conflicts, achieved with the significant US contribution, represented the most important precondition for the long-term stability of South East Europe and its economic development. Namely, in the very beginning, the EU was limited to bilateral relations with countries from the region, which was clearly not sufficient for its stabilisation and economic sustainability. This is the major reason why EU started developing various frameworks for regional co-operation as a possible tool for achievement of aforementioned goals of its policy in South East Europe.

**Royaumont Process**

The first EU initiative with a regional ‘fore-sign’ was the *Royaumont Process* that had been initiated in December 1996 in order to confirm the EU determination to contribute to stability and good neighbourly relations within the region of South East Europe with the focus on the support of implementation of the Dayton Agreement. This relatively innovative approach had a noticeable contribution to the improvement of the situation in the region mainly by encouraging the democratisation through the promotion of dialogue within the population, modernisation of structures of civil society and creation of NGO networks of co-operation. As the former co-ordinator of the Royaumont Process (Dr. Panaghiotis Roumeliotis) clearly states, general awareness of main

---

* The following countries and organisations have participated in the process: Albania, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Denmark, Finland, France, Germany, Great Britain, Greece, Hungary, Ireland, Italy, Luxembourg, Macedonia, Netherlands, Portugal, Romania, Russia, Slovenia, Spain, Sweden, Turkey, United States, FR Yugoslavia, Council of Europe, EU and OSCE. See the details in Roumeliotis, Panaghiotis: The Royaumont Process - An Initiative for Stability and Good Neighbourliness in South-Eastern Europe, http://www.hri.org/MFA/thesis/autumn98/royaumont.html
reasons for the destabilisation of South East Europe, not to speak about afore-
mentioned European incapability to resolve the crisis in ex Yugoslavia during
the early nineties, led the EU to invest significant amount of energy and reso-
urces into this process.

“The potential for conflict both within and across national boundaries is
aggravated by the lack of effective communication channels among citizens
and politicians. In the absence of institutions enabling conflicts to be resolved
and differences to be transmuted into political debate, confrontation is always
a possibility. Ethnic and national prejudices are thus perpetuated in the region.
It is therefore of paramount importance to promote the concept of a broader
European identity in a shared democratic culture for conflict situations to be
alleviated and relations between the countries of the region and the EU to be
strengthened. Conflicts based on cultural, ethnic, and religious differences
cannot, however, be prevented or resolved only at the political level. These are
matters of conscience and, as such, must be addressed by the individuals them-
selves who must be assisted in order to overcome their prejudices, and learn
about their fellow citizens and how to tolerate their differences.” (Roumeliotis

Organising various conferences, ensuring significant amounts of funds for
various projects as well as support from different factors in international com-
unity, the Royaumont Process managed to re-initiate regional co-operation
in various fields, such as journalism, civil society, education, culture, science
and many others. It should not be forgotten that this process is responsible
for the establishment of inter-parliamentarian relations within the Stability
Pact for South East Europe⁹, which represents a significant contribution to
the normalisation of intra-regional relations. It is more than obvious that this
process has improved the conditions in the region, in particular in the field of
free movement of people and information, furthermore, it enhanced dialogue,
regional cultural, scientific and technical co-operation and strengthened civil
society networks, thus playing a big role in the post-Dayton period.

However, owing to the lack of mechanisms that would serve to deepen the
existing programs and ensure implementation, the whole process was based
on the good will of participants to invest in the regional stabilisation. Accor-

---

⁹ The Stability Pact for South-Eastern Europe, adopted on 10 June 1999 in Cologne, is an EU initiative
with the aim to bring peace, stability and economic development to the region. In fact, it is a framework
for co-operation between the EU, US, Russia, Japan, Turkey, countries from the region and others inclu-
ding regional and international organisations and international financing institutions.
dingly, the participation in the process of both countries and international organisations depended on their capacity, priorities and interests in the given momentum. Therefore, it was essential for the EU to develop a new policy framework that would contribute more concretely to the long-term stabilisation of the rather turbulent region.

**Regional Approach**

In that regard, the meeting of the Council of Ministers of the EU in Luxembourg (October 1996) represented ‘a new beginning’ for the formulation of EU policies towards the region, i.e. a formal initiation of a coherent political framework for the development of co-operation in South East Europe and bilateral relations between the EU and each state individually, widely known as the *Regional Approach*. It is important to underline that, already in this document, one may find the elements of the conditionality mechanism of the EU towards the region. Namely, positively evaluating the termination of armed conflict and further development in the region after the conclusion of the Dayton Agreement, this document outlines the main goals of the EU in South East Europe, and these are the following: stimulation of political and economic reforms with the aim to ensure sustainable stability of the region, based on democratic values and fundamental freedoms. It requires a dedication to the successful implementation of the Dayton Agreement and regional co-operation as a guarantee of future avoidance of conflicts. Furthermore, while recognising ‘the European vocation’ of given countries, EU directly related the level of bilateral relations with any given country with the one of the progress in meeting fundamental political and economic criteria, including the establishment of the wide range of regional co-operation.

It has been clearly outlined that any other agreement between the EU and countries from the region would be used as a form of an instrument for enhancement of political and economic reforms, as well as of the regional co-operation, with respect to special requirements of each country and individual assessment of their progress. It means that conclusion of agreements with the EU depends exclusively on the transformational capacity and the will of the countries in South East Europe and that concrete benefits, like trade liberalisation and economic assistance, will depend solely on that. One should not omit noticing the fact that the EU introduced monitoring of aforementioned processes in each given country that was reflected in regular semi-annual reports focused on democratic principles, rule of law and respect for human rights, minority protection, economic reforms and regional co-operation.
So, it is clear that the Regional Approach was based on the principles of conditionality. Political and economic benefits from enhanced relations with the EU, including financial assistance and conclusion of any form of contractual relations with it, were directly related to the fulfilment of criteria mentioned before\textsuperscript{10}. Despite all efforts invested into this process, as well as its doubtless contribution to the stability of the region, it proved insufficient to achieve long-term success. If there had been any doubts whether the EU needs a new incentive for South East Europe, these vanished with the Kosovo crisis (1999) followed by the military intervention of NATO in FR Yugoslavia, not to mention that this was yet another blow to the EU’s global political credibility and a proof of absolute dominance of NATO and the US in the transatlantic post-Cold War security context.

This approach seems to be a proof that the conditionality mechanism, even though a relatively valuable tool of the EU in 5\textsuperscript{th} enlargement, may not be useful, if it does not contain elements that are necessary for its functionality. Namely, it has to have a very clear potential benefit for countries concerned if it is to be expected from them to conduct the very painful and energy-consuming reform process. More concretely, unlike in the case of the 5\textsuperscript{th} enlargement countries, the lack of clear perspective of full-fledged EU membership represented a heavy burden for the transitional capacity of those in South East Europe. If we take this into consideration in an oversimplified manner, using the Carrots and Sticks logics, it was obvious that the first ones were much less visible than the others, and this is exactly why EU’s new policy towards the region – Stabilisation and Association Process\textsuperscript{11} – represents a huge milestone in relations between the two and a motor of positive changes during the last decade.

**Introduction of EU’s Conditionality (Copenhagen Criteria) and Countries of the 5th Wave of Enlargement**

The role of the conditionality mechanism in relations between the EU and countries in transition in general is more than noticeable. Indeed, it represents the major instrument of EU’s policy towards aforementioned countries and transitional processes in them and, despite the fact that this article is concentrated on EU’s conditionality in South East Europe, it is therefore re-

\textsuperscript{10} It is worth mentioning that there were some specific requirements for some countries from the region, that were derived from their former involvement in armed conflicts, and these are co-operation with the ICTY and the return of refugees and displaced persons. Unlike in the case of countries of the 5\textsuperscript{th} enlargement where it was recommended, regional co-operation was made conditional as well.

\textsuperscript{11} More on this on pages to come.
commendable to reflect briefly on the way it has been inaugurated as well as the way it influenced the European integration process of countries of the 5th enlargement.

So, as one may assume, the impact of the mechanism of conditionality was more than visible in relations between the EU and the countries of Central and Eastern Europe. Actually, it represented their essence, i.e. the main motor for political and economic changes that have happened there in the 90’s. Having said that, it is very important to underline that a clear European perspective of these countries, coupled with concrete co-operation within the framework of European Agreements\textsuperscript{12}, represented a key precondition of functionality of the conditionality mechanism with the prevailing role in the stimulation of conduct of painful transitional reforms.

Accordingly, it was more than obvious that any enhancement of relations with the EU would depend solely on meeting a set of criteria, and in that sense the European Council meeting in Copenhagen (1993) represented a milestone in relations between the EU and post-socialist countries seeking to find it place in an enlarged ‘European family’. Namely, it was the first time their European perspective was officially recognised and confirmed by the highest EU officials. Apart from that, the general criteria that the countries that aspire to become members of the EU have to meet were presented and made \textit{conditio sine qua non} to any progress in their accession processes.

The so called \textit{Copenhagen Criteria}\textsuperscript{13} were hence incorporated into the process of EU enlargement and became broadly accepted as a major measure in estimation of transitional achievement of each country concerned, as well as a strong tool for EU’s impact on their pace and outcome. These criteria were thoroughly

\textsuperscript{12} The European agreements constituted the legal framework of relations between the European Union and the Central and Eastern European countries. These agreements were adapted to the specific situation of each partner state while setting common political, economic and commercial objectives. In the context of accession to the European Union, they formed the framework for implementation of the accession process. See other details at the Official Website of European Commission - http://ec.europa.eu/enlargement/glossary/terms/europe-agreement_en.htm

\textsuperscript{13} The Copenhagen Criteria represent the following:
- Political – stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;
- Economic – existence of a functioning market economy and the capacity to cope with competitive pressure and market forces within the Union;
- Acceptance of the Community acquis - ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union. – See other details at the Official Website of the EU - http://europa.eu/scadplus/glossary/accession_criteria_copenhague_en.htm
developed and specified in various documents in the process of each individual country, becoming ever more demanding as the process of accession develops. However, in parallel with that, the benefit from the process will grow, including various material and non-material assistance, together with the perspective of full-fledged membership, which is exactly what has kept the process alive and has made the goals that were set prior to it achievable.

**Examples from South East Europe – Bulgaria and Romania**

The big enlargement that occurred on 1\textsuperscript{st} May 2004 will undoubtedly be remembered as one of the most important events in the history of the EU due to a number of reasons. The thing that may be easier to forget is the fact that two countries – Bulgaria and Romania - were denied the invitation to take part in it owing to a set of various problems in their transition processes. They seem to be interesting for this research at least owing to two facts – the aforementioned transitional problems\footnote{The level of complexity of their problems, coupled with the poor economic performance, have brought them into very difficult position, which stimulated different analysts to classify them in various ways. For example, Heather Baird defines them as the ‘underclass of the EU’, underlining the fact that they will be the poorest members once they join EU. (Baird 2004).} and geographic proximity, i.e. categorisation as countries of South East Europe. Therefore it is more than recommendable to take a glimpse at the way the EU conditionality affected the pace and the outcome of the transitional processes in these two countries.

If we compare the pressures of adaptation of candidate countries from the 5\textsuperscript{th} wave of enlargement with those of previous waves, it is obvious that they were much stronger not only due to the fact that EU is ‘a moving target’ that deepens its integration process (EMU, Schengen Agreement etc.) but also because of a lower level of democratic development with which former communist states started the transitional process\footnote{For example, countries from previous enlargement that occurred in 1995 (Austria, Finland and Sweden) were much closer to the membership standards set by the EU than the countries of the ex communist block.}. In that sense, one may conclude that Bulgaria and Romania, as the least developed countries among the countries of the 5\textsuperscript{th} enlargement, were exposed to enormous amount of adaptation pressure in their transition period.

Furthermore, the Copenhagen criteria that were set as the *conditio sine qua non* for any improvement of the accession are not negotiable by their nature, which means that candidate countries were basically unable to voice their objections or amendments to the existing conditions. On the other hand, there were va-
rious programmes of financial assistance\(^\text{16}\) that were of significant importance for the stability of economies of those two countries and their development. It is enough to take a look at the statistical data regarding the amount of funds received by these two countries during their accession processes to understand its importance for them and the situation in which they found themselves \textit{vis-à-vis} the conditionality mechanism. The fact that Bulgaria and Romania were receiving the assistance that amounts approximately 2\% of their national GDP tells more than enough about their dependence on EU pre-accession funds at that time.

Another tool of EU’s influence on transitional process in these two countries were the so-called ‘Roadmaps for Accession’ that are regularly issued by the European Commission (EC) in order to underline the most important measures and ‘warn’ on the responsibilities taken on by the candidate country in the negotiation process. In accordance with that, the EC issued ‘Regular Reports’ where it analysed the progress made in meeting the criteria outlined in the ‘Roadmaps for Accession’. During the last few years of the accession process of these two countries, special attention had been given to the administrative and judiciary capacity to implement the \textit{acquis communautaire}, the fight against corruption and the reform of the economic sector, that were defined as major problems of the transitional process of these two countries and the central reason for delays in receiving invitation to join the EU.

Given the fact that every country has its own reforms process and characteristics in which they differ from others, it is understandable that each of them has its particular problems that leave room for the EU to attach additional specific conditions to the candidate country at various stages of their accession processes. Heather Grabbe (2003) defines the phenomenon as – ‘gate-keeping’ – specific criteria for accession were more than visible in the case of Bulgaria and Romania. The issue of Kozloduy nuclear power plant dramatically burdened Bulgarian accession process and the country had to close four reactors altogether in a relatively short period despite improvements in the field of safety. On the other hand, Romania experienced the imposition to the gate-keeping mechanism before the opening of membership negotiation in 2000 in the filed of economic transformation and treatment of children in state orphanages.

\(^{16}\) Three main funds from which Bulgaria and Romania benefited the most were PHARE, ISPA and SAPARD that were created to support the transformation processes in transitional countries. The first one was concentrated mainly on institution building, promotion of economic and social cohesion, while the others backed the projects from the field of infrastructure, environment, agriculture and rural development.
EU’s Conditionality Mechanism in South East Europe

Taking into account everything listed above, it is evident that the EU’s conditionality mechanism played a very important role in transitional processes of Bulgaria and Romania. Starting with the Copenhagen criteria, that may be considered essential in that sense, and noticeable disproportion of power between the EU and candidate countries during the negotiations, it may be concluded without any doubts that the aforementioned mechanism represented a useful tool of the EU which helped it to have an impact on the pace and outcome of transitional processes of these two countries. Furthermore, the awareness that the failure to comply with the criteria would imply practical exclusion from the process and the loss of generous financial assistance from the EU, upon which the national economies of Bulgaria and Romania depended at least to a certain extent, adds to the general importance of the conditionality mechanism for these two countries. On the other hand, despite delays and difficulties in their accession processes, it is evident that mentioned mechanism have had a positive impact on them in general, helping to finalise that phase successfully and become a full-fledged member of the EU in 2007.

EU Conditionality and SAP Countries

Based on a relatively positive experience from transition processes of countries in Central and Eastern Europe and the fact that mechanisms that the EU used in South East Europe during the 90’s proved not to be efficient, it inaugurated a new policy that was mentioned earlier in the text – Stabilisation and Association Process (SAP) – which represented the first application of a functional conditionality mechanism on this group of countries.

Similarly demanding criteria for the accession process of SAP countries with far less noticeable benefits for them made the relations with the EU rather uneasy, while fragile political and economic mechanisms in that part of Europe made the compliance with the EU standards even more difficult. However, the uncertainty of the economic development and political instability in the post-conflict period made the whole region pretty dependant on various forms of EU assistance, making the conditionality mechanism itself more relevant. Namely, at the beginning of this decade that brought strengthening of pro-European forces in the region, especially in Croatia and Serbia, there has been a paramount wriggle in the process of prioritizing in the field of political and economic life. On the other hand, the long expected recognisability of common EU policy towards the region, coupled with a sign of European perspective, finally ‘appeared on the horizon’. On top of everything, a drastic shift in the priorities of the US foreign policy to fight against terrorism after the 9/11
promoted the EU to the main guarantor of stability in South East Europe, which had in a way contributed to the overall relevance of its conditionality mechanism as well.

Everything mentioned here confirms the huge responsibility assumed by the EU for the democratic development and insurance of viable economic growth in the region burdened with nationalistic tensions and post-conflict reality. It became clear that the energy invested in humanitarian assistance and reconstruction should be canalised into forming a consistent and recognisable common EU’s policy oriented towards long-term political stability, economic development and integration into the EU of each country from the region. Exactly because of that, the conditionality mechanism, as one of most important instruments of the EU’s policy in the region\textsuperscript{17}, became crucial for successful finalisation of these processes and achievement of very ambitiously set goals.

**Stabilisation and Association Process**

As already indicated, a need for a clearer initiative from the EU, that would reflect its political unity, i.e. common position towards a turbulent region in its own backyard, became more than obvious and this led to the inauguration of the aforementioned *Stabilisation and Association Process (SAP)* at the Zagreb Summit (November 2000)\textsuperscript{18}. Introducing the possibility for countries from the region to join the EU once they meet all the criteria and respecting the individual approach to evaluation of transitional progress of each of them (*own merits*), the EU has put an emphasis on the regional co-operation, along with the return of refugees and co-operation with the ICTY\textsuperscript{19}, as a *conditio sine qua non* of any form of improvement of relations with the EU, not to mention the speeding-up of the accession process. With this policy it tried to ensure the political, economic and institutional development comparable with those of the Central European countries and of the EU member states in a broader perspective.

---

\textsuperscript{17} Having said that, one should not underestimate the importance of humanitarian assistance, ESDP missions, and other forms of help provided by the EU.

\textsuperscript{18} See the full text of Final Declaration of Zagreb Summit at the Official Website of the European Commission: Zagreb Summit – Final Declaration, http://ec.europa.eu/enlargement/enlargement_process/accession_process/how_does_a_country_join_the_eu/sap/zagreb_summit_en.htm

\textsuperscript{19} ICTY – The International Criminal Tribunal for the former Yugoslavia (ICTY) is a United Nations court of law dealing with war crimes that took place during the conflicts in the South East Europe in the 1990’s. See other details at the Official Website of the ICTY – http://www.icty.org/sections/About-theICTY
Setting very high standards for enhancement of the European integration process in the region\textsuperscript{20}, for the first time the EU has directly linked processes of stabilisation and association, which is visible from the name of the policy itself. It became clear that, especially taking into account the security dysfunctions in this region in the period prior to the initiation of this process, the two aforementioned processes have to go hand in hand with each other in order to achieve any progress in long-term stabilisation and sustainable development.

Also, apart from offering the perspective of full-fledged EU membership for the countries in the region as the main \textit{spiritus movens} of transitional changes in this part of Europe, it has ensured various forms of material and non-material assistance:

- Asymmetric liberalisation of trade;
- Economic and financial assistance;
- Assistance in the process of democratisation and development of civil society;
- Development of political dialogue;
- Humanitarian assistance for refugees and other endangered groups within the society\textsuperscript{21}.

Despite various problems, one may conclude that the major achievement of the SAP is the fact that it succeeded in raising awareness, both within the region and the EU, of the danger that eventual marginalisation of the region brings along and the importance of its integration into the EU\textsuperscript{22}.

Furthermore, the European perspective of SAP countries has been of utmost importance, having in mind the fact that it represents the confirmation of EU’s commitment to continue contributing to the transitional process of countries

\textsuperscript{20} Some criteria in the framework of the SAP, such as regional co-operation, return of refugees and co-operation with the ICTY, were frequently perceived within the region as an additional burden to an already complicated transitional process and sometimes even as double standards that the EU was applying to different groups of countries. However, taking into account numerous democratic deficits of countries from the region in the post-conflict period, one may conclude that it would be recommendable to interpret them as a concretisation of the aforementioned Copenhagen criteria in a transitional specificum like the turbulent South East Europe.

\textsuperscript{21} See the details in – Knezovic, Sandro: Utjecaj unutarnjih i vanjskih faktora na regionalnu konsolidaciju – slučaj Jugoistocne Europe, Doktorska disertacija, Sveuciliste u Zagrebu, Fakultet politickih znanosti, 2008, p. 179.

\textsuperscript{22} One should not underestimate the importance of progress of integration process in Central and Eastern Europe for the dynamics of the same process in South East Europe. With clear EU membership perspective of the countries of 5th enlargement, the EU has been brought closer to the borders of the region together with the idea of European integration as such and the acknowledgement of the fact that the old project of unified Europe would not be finished until the whole region becomes a part of the EU.
from the region and hence the reflection of its legitimacy within this part of Europe, which was formally confirmed once again at the Thessaloniki Summit (2003)\textsuperscript{23}.

In this document as well, the essential role of the conditionality mechanism, in combination with the European perspective of countries from the region, is more than noticeable and it represents the most effective tool at EU’s disposal for correction and enhancement of transitional processes in the region.

However, it would be inappropriate to concentrate only on achievements of the conditionality mechanism in that region and neglect serious difficulties it is facing there. Based on good experience from the 5\textsuperscript{th} enlargement, the conditionality mechanism as such was based on three assumptions. As Anastasakis and Bechev (2003) correctly notice, these are the following:

- The differentiation among the countries generates a positive climate of competition on the way towards accession;
- The reform process enjoys consensus and support from the local elites and population;
- The EU’s guidelines and templates are equally beneficial for all of the countries, at least in the long run.

Nevertheless, one should not omit noticing that while it was pretty effective in the case of countries of the 5\textsuperscript{th} enlargement, the conditionality mechanism proved not to be able to generate the same transformational success among the SAP countries, which of course affects the relevance of the policy itself. The differentiation that occurred among the candidate countries in Central and Eastern Europe, as a consequence of the aforementioned mechanism, appeared to be even more noticeable in the South East Europe, not only between Bulgaria and Romania on one and SAP countries on the other side, but among themselves as well\textsuperscript{24}. Apart from the difference in the capacity to apply the criteria set by the EU, there is also one in terms of status, sovereignty and ownership of governments in the region that has a direct impact on their ability to respond to the challenge of fulfilling the pre-accession criteria. Namely, apart from

\textsuperscript{23} See the whole document at the Official Website of the European Commission: Thessaloniki Summit – Final Declaration, http://ec.europa.eu/enlargement/enlargement_process/accession_process/how_does_a_country_join_the_eu/sap/thessaloniki_summit_en.htm

\textsuperscript{24} It is well known that Croatia is definitively way ahead the rest of the group in the transitional process, despite some serious obstacles it is still facing. Apart from it, Macedonia is the only country in this group with the status of candidate country, but still without the date of the beginning of the accession negotiation, while the other countries are still significantly lagging behind.
self-governed countries, the region consists of international protectorates like Bosnia and Herzegovina and Kosovo, which altogether complicates the EU’s efforts to maintain a viable single framework of relations with SAP countries. During the last few years, this differentiation has made it even more difficult to promote the idea of regional co-operation that was made *conditio sine qua non* within the SAP framework\textsuperscript{25}. Taking into account the significant diversity in the region and the aforementioned obstacles for deeper co-operation within it, it is difficult to perceive how the differentiating characteristic of the conditionality mechanism could produce a stimulating competition among SAP countries in their accession process.

In general, at least according to the experience from 5\textsuperscript{th} enlargement, the conditionality mechanism is supposed to provide the stimulation to the governments at the national level to conduct the transitional reforms processes and advance to the full-fledged membership in the EU. However, given the fact that successful reforms process necessarily requires political will and consensus on the national level, which did not happen in every SAP country like in the case of Central Europe, it appeared that conditionality mechanism itself was frequently not enough to move the integration process further.

One of the major preconditions for successful conduct of transitional reforms with help of the EU and use of its conditionality mechanism is a regional/local ownership that should imply ability to articulate national interests in the process of conclusion of any regional or bilateral arrangement. However, that kind of ownership requires sovereign national authorities which is unfortunately not the case in all countries and it is enough to analyse the role of the OHR\textsuperscript{26} in Bosnia and Herzegovina and Special Representative of UN Secretary General in Kosovo to comprehend the complexity of political systems and modesty of capacity at the national level in their cases to articulate priorities in the process of transition. Therefore the result was conditionality directly imposed from abroad without any consideration of priorities at the national level or role of local actors whatsoever, which leads to the absence of reform consensus and any confidence between political elites at the national level, the public and international subjects.

\textsuperscript{25} Some countries from the region appeared not to be very supportive of the idea of regional co-operation, perceiving it as something that will prolong or even supplement their membership in the EU. On top of that, the turbulent recent history marked with intra-regional conflicts represented another obstacle to the idea, which is why the development of bilateral relations with the EU and its member states was much more popular at that time.

\textsuperscript{26} OHR - Office of the High Representative and EU Special Representative – see the details at the Official website of the OHR, http://www.ohr.int
It is also useful to mention that the EU proved not to be capable to always use the conditionality tool, since some candidates, especially those where EU accession seems not yet to be defined as the main priority, responded by ‘changing the course’ and seeking for alternative ways of partnership elsewhere. As Smith notices (2003), Turkey is a good example how insisting rigidly on membership conditionality and isolation of the country can be discouraging for reformist forces there and for the whole society as well.

Furthermore, as Gergana Noucheva (2006) correctly notices, in case of complex post-conflict political systems, the presence of sovereignty-linked demands provokes political mobilisation against the EU conditionality. When EU conditions clash with sub-state aspirations for independence or self-determination, political fragmentation on the question of compliance can be expected 27. In accordance with that, she correctly concludes that since the EU demands affect the way statehood is constituted within states with compromised sovereignty, political opposition to EU requirements has become part of the politics of compliance in the semi-sovereign states.

It should also be mentioned that in the case of majority of the countries from the 5th enlargement, the carrot of EU membership served for additional stimulation of the already relatively developed democratic process, while in some SAP countries, like par exemple BiH, it is still in the initial phase, burdened with unresolved statutory issues and unfinished state-building process. At that stage of the process, this tool appeared not to be effective enough to push the aforementioned processes further and sometimes it even produced a sort of a counter-effect, at least in one of its entities, that moved the country away from its European path.

**Conclusions**

It is obvious that conditionality mechanism proved to be an efficient tool at the disposal of EU that helped in influencing the outcome and the pace of the transitional reforms of post-communist countries in their pre-accession stage, at least when we take into account the countries of the 5th enlargement. However, one may conclude that it is difficult to insist on absolute comparability of the conditionality mechanism functionality when speaking about these countries and the SAP ones. As we can see, in spite of noticeable reform progress in the

---

27 Best example for that is the position of officials from Republika Srpska on the issue of police reform in Bosnia and Herzegovina.
last group, it is clear that the EU is still facing serious difficulties in attempts to develop a long-term strategy for that part of Europe. Among other problems mentioned herein, we should not forget to underline maybe even the most important one and that is the lack of legitimacy of EU’s guaranties with regards to the European perspective of SAP countries.

During the last few years, despite various efforts of EU officials to confirm it at least on the declarative level, the questioning of ratio of further EU enlargement more often seemed to be appearing on the agenda, especially in the context of numerous demands for assurance of the functionality of the decision-making process in the EU.

As it is widely known, at the Zagreb Summit in 2000, the EU assumed the responsibility of guaranteeing European perspective to SAP countries once they meet all criteria, which was confirmed at the final declaration of Thessaloniki Summit in 2003. Even so, few later attempts to confirm the relevance of the responsibility assumed by the EU did not reach the expectation within the region. The European perspective, at least in some countries, was not perceived as palpable enough, so the question whether the benefits from progress in the accession process, in these circumstances, could cover the costs of painful reforms the countries were supposed to conduct in period before them, started dominating the public debate.

Apart from the well-known lack of initiatives for enhancement of reforms process coming from the region, the issue of credibility of the European perspective of SAP countries became a serious burden for ‘the transitional enthusiasm’ in the region. Viewed with ‘optics of countries from the region’, it was obvious that the political will in the EU for further enlargement is declining, especially in the context of an ever more frequently mentioned phenomenon of the so-called ‘enlargement fatigue’. Appearance of some ideas alternative to membership, such as ‘privileged partnership’ or ‘strategic partnership’, frequently used in general non-expounded way, added to the scepticism within the region about its European perspective, despite the fact that these suggestions were

---

28 After the failure of referendum on EU Constitution in France and Netherlands, this term started making the headlines. Despite the fact that this referendum failed owing to a set of completely different reasons, the debate on enlargement fatigue started to develop, revealing a very high percent of scepticism in the EU with regards to the acceptance of new member states. Calling upon the slow-down or the termination of the enlargement process, high officials from some EU member states gave priority to that issue, hence avoiding to participate in the debate about some ‘less pleasant’ topics, such as real reasons for the failure of the referenda (high unemployment rate, inefficiency of welfare systems in Western Europe, etc.).
mostly linked to the Turkish EU bid. Yet another term – ‘absorption capacity’ – that was frequently used to underline the limits of capacity of the EU to absorb new members, i.e. the flexibility of its administrative framework, defined by the Nice Treaty, just added to the existing scepticism in the region.

On the other hand, the EU is aware of the importance of the credibility of guarantees given to SAP countries and has invested lots of efforts into trying to confirm them without taking any commitments on concrete activities in that regard. The best example for that is Macedonia which obtained the candidate status few years ago and still does not have a concrete date for the kick-off of membership negotiations with the EU.

According to everything that has been mentioned here, one may conclude that the European perspective has become less visible for SAP countries, despite various attempts of the highest EU officials to prove exactly the opposite. In that context it is of paramount importance to underline the following – in order to have a functional conditionality mechanism, credibility of EU’s guarantees to SAP countries must not be debatable. In that sense, discussion about the slow-down or the termination of enlargement process, combined with insisting on regional co-operation like one of major criteria of SAP, have shown their destabilising potential during the last decade, generating various theories on the regional framework of co-operation as a model of postponement of the integration process or even its alternative²⁹.

It has become clear that the EU has to ensure the credibility of its guarantees to SAP countries in the most adequate way, that it must establish visible links between the mechanism of conditionality and the main goals it is focused on. In that sense, the resolution of the EU administrative puzzle and entering into force of the Lisbon Agreement would open a new perspective for the EU, and for its enlargement process as well, which would represent a huge step forward.

Anastasakis and Bechev (2003) correctly define this problem as – the commitment deficit – and it seems to be visible not only from the EU side but from the one of countries in the region too. Unfortunately, especially in some of them, there is a clear deficit of consensus about the EU accession process as one of priorities, despite the fact that political elites declaratively opt for stronger EU

²⁹ It was particularly disturbing for the front-runners in the SAP group who have perceived the regional concept as something that will slow down their accession process and cement them in an undesirable framework of underdeveloped countries.
engagement and integration into it. Regardless of the real reasons for their political behaviour, scepticism towards the EU or their inability to voice their concerns and needs in the transitional phase, the fact is that daily politics in at least few SAP countries have very little to do with the EU integration endeavour. In spite of difficulties mentioned here, one may conclude that SAP represented a paramount milestone in relations between the EU and countries concerned. Thanks to its mechanism of conditionality linked to the system of individual evaluation of each country’s transitional success (own merits), it generated a new dynamics in political life and economic development of the region and represents another confirmation of growth of ‘the transitional enthusiasm’ of aspiring countries as a consequence of the appearance of the European perspective on the regional political horizon.

There is no doubt that the EU bears an enormous responsibility for long-term stability and sustainable economic development of that part of Europe. Especially after 9/11 and the changes in the US foreign policy priorities, as well as the initiation of the process of the EU political unification, not to mention the geographical proximity, it should be able to tackle the problems in its own backyard if it wants to be regarded as a global political player. Taking into account the fact that geostrategic focus is shifting eastwards to regions like Southern Caucasus and Middle East, as well as the arrival of new challenges from the East, the strategic importance of stability in that part of Europe and its final integration into the EU after meeting all membership criteria speaks enough for itself.

Of course this should not rid regional political actors from their responsibility, as they should undoubtedly start doing more for the achievement of the aforementioned goals. Regional ownership has to be assumed by them as soon as possible to make the successful conduct of reforms more viable. Protectorate mentality shown in some countries in the region proved not to be the appropriate way to ensure a sustainable and an interactive reforms process in which all participants should be able to articulate their concerns and needs.

Hence, it is obvious that both sides in the process bear a huge responsibility for its successful conduct, so it is clear that they have to invest more energy into it. Moreover, it seems that neither of them have any alternatives – while it is difficult to imagine the EU as a recognisable global political actor without the ability to stabilise its own backyard and help it become ‘a part of the European family’, it is enough to take a look at the economic interconnectedness of countries from the region with the EU, not to mention dozens of other arguments in favour of their future full-fledged membership. Therefore, it is vital that the
energy and the know-how of all branches of societies on both sides be involved in the process of integration of SAP countries into the EU that would, in the end, contribute to the finalisation of the ‘old project’ of a united Europe.

REFERENCES


