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**The Way Ahead for Europe and the Western Balkans**

C.L. Sulzberger, in his early 20<sup>th</sup> century book “A long row of candles” describes the Balkans like this:

“The Balkans, which in Turkish means “mountains”, run roughly from the Danube to the Dardanelles, from Istria to Istanbul, and is a term for the little lands of Hungary, Rumania, Yugoslavia, Albania, Bulgaria, Greece and part of Turkey....It is, or was, a gay peninsula filled with sprightly people who ate peppered food, drank strong liquors, wore flamboyant clothes, loved and murdered easily and had a splendid talent for starting wars. Less imaginative Westerners looked down on them with secret envy, sniffing at their royalty, scoffing at their pretensions and fearing their savage terrorists. Karl Marx called them “ethnic trash”. But I....adored them”.

Our late 20<sup>th</sup> century image of the Balkans is rather less romantic.

For us the Balkan wars of the 1990s have left us with the painful television images of endemic war, mindless horror and irreversible dissolution into chaos.

My point today is simple.

Neither of these visions is true; neither reflects the true nature of the Balkans today, and neither should colour our view of the potential of this region or its importance to Europe in the early decades of this century.

Or, put another way, the Western Balkans (which I shall re-define for the purposes of today's speech as the countries of ex-Yugoslavia, less those either in or at the gates of the EU - Croatia and Slovenia - plus Albania) are not far away countries of which we know little, but a collection of nations which are naturally, culturally and geographically part of Europe within its present borders and which it is in our interest as well as theirs, to bring within the European Union as quickly as possible.

I shall also argue that, if we, in the EU are to do this, then we will need to have a much more effective and ambitious regional approach to the area, rather than a collection of penny packet policies for penny packet countries; that we shall have to be more proactive in bringing them in, rather than sitting by waiting for it to happen; and that the center piece of this should be a more muscular approach to the application of EU conditionality than we currently seem to believe necessary.

First let me dispel that more modern 1990s image of the Western Balkans as an area irretrievably mired in war and chaos. What you might call the Rebecca West view, that this is the way the Balkans have always been and ever must remain.

This has been a particularly prevalent view in the past and remains so today, even at the highest levels.

I well recall in, I think 1993, when the Bosnian war was at its height, going to see the then British Foreign Secretary, pleading for the intervention which was not to come for nearly two more years and after countless tens of thousands of more deaths. His response could have come straight from Rebecca West “*Black Lamb and Grey Falcon*”.

”But they have always been like this, Paddy” he said. “The best thing is to build a fire break round the region and let it burn itself out”. I pointed out to him that if there was any region of Europe who had “always been like this”, it was not the Balkans, but we in Northern Europe, who have fought each other much more frequently, with countless myriads more deaths and horrors than the Balkans, for over a thousand years. If we could find the solution to our age old conflicts within the European Union, how could we deny this to them?

But before “our” Europe’s process of integration could begin after the Second World War, there first had to be a period of European stabilization and reconstruction, assisted by the United States.

The countries of the West Balkans, assisted by International Community, including the US and EU, are just finishing this phase of stabilization and reconstruction.

And given where they were, a mere 10 years ago, the progress has been remarkable.

Let me, for example, choose the Balkan country I know best, Bosnia and Herzegovina, which I left at the end of January this year.

Here, in the last four years alone:

- The armed forces, have been unified and brought under the exclusive command and control of the state;
- A programme of reform that will in the coming years provide BiH with a democratically supervised and rationally organized police service; has been started;
- The two customs services have been unified
- The three intelligence services have been welded into one and brought under democratic control;

- The judiciary has been cleaned up, depoliticized and placed within a single countrywide framework;
- A single criminal code, written by the Bosnians themselves, has been established;
- The ruling Council of Ministers has been transformed into a genuine State level government
- After years of frustratingly slow progress, the city of Mostar has at last been unified;
- A single, countrywide system of VAT has been introduced;
- GDP growth has been maintained in recent years at 5 percent or above, the fastest growth rate in the Western Balkans;
- The inflation rate stands at 0.5 percent, one of the lowest in Southeast Europe;
- Foreign direct investment is now five times higher than it was in the late nineties;
- Exports and industrial production are up by around 25%;
- Interest rates have halved since 2000;

And all of this has been achieved within the context of an overarching effort to restore BiH's prewar demographic pattern. This effort has not succeeded entirely, but it has succeeded to a degree that no one would have dared to predict a decade ago. More than a million of those who were displaced from their homes during the war have since returned – hundreds of thousands of them to areas where they will be in a minority. And by the way this is the very first time in history that refugees, usually the left out flotsam and jetsam of wars who are left no choice but to settle where the conflict washed them up, have instead, in Bosnia, been able to return in such great numbers to the homes and

communities – even Srebrenica - from which they were driven in blood and horror, only a decade ago.

Similar real, if sometimes uneven progress has been made and is being made in Croatia, Serbia and Montenegro, Albania, Macedonia and, hopefully soon, in Kosovo too.

How has this happened – and perhaps more importantly, why?

Because in every one of these countries one single ambition unites all, across every political, ethnic and cultural divide – a desire – a burning urgent desire - to be members one day soon, of the European Union, which they – rightly in my view – see as their natural homeland and the framework within which they, too, will be able to resolve their ancient enmities.

And incidentally, a word of warning. The Balkans region really is making progress now. But that progress is not irreversible yet. The prospect of joining the EU is the one glue that holds the region on the path of reform and stabilization. If you take that glue away – if you remove the prospect of a European path – then I fear there is still a real prospect that all the progress of the past decade will go into reverse and it is quite possible that we could see again the re-emergence of the old visions and the old ideas which caused so much bloodshed in the region in the last century.

So the peoples of the Western Balkans are clear why it is in their interest to join us.

Why is it in our interest to have them do so.

Well first of all, Europe within its present borders cannot be complete with a black hole in its middle – or to be geographically precise within its South Eastern corner.

This is not a matter of extending the frontiers of Europe, it is a matter of healing an abscess *within* the body of Europe.

Nor is this just a question of geographical neatness.

Europe saw in the last century, how blood letting in the Balkans can lead to even greater torrents of blood much closer to home. And even if the bloodletting can be confined to the Balkans, as in the 1990s, the tide of refugees and the infection of instability cannot as the expatriate Bosnian and Kosovar communities in almost every EU country today bear witness.

But there are reasons closer to home and closer to today, why an abscess of instability and lawlessness within the EU's borders, spreads the infection of criminality into our own communities, too.

It is calculated that 80% of the trafficked women, a large proportion of illegal immigrants and a substantial element of our organized crime comes through the Balkan corridor – not

all of it comes from the region – but it all goes through the region. The effects of instability and lawlessness in the Balkans is not some theoretical thing of interest only to historians, politicians and statesmen; it is something which Europe's ordinary citizens feel daily and painfully today, on the streets of Europe's cities.

So, there are powerful reasons why this piece of unfinished business in the EU's integration process should now be completed by bringing these countries, whose combined populations are little bigger than that of Romania, due to join the EU in the next year or so, and whose economies are only slightly larger than that of Luxembourg, into the full embrace of the EU as fast as practically possible.

The EU recognized this reality, when in June 2003, under the Greek Presidency, it made the Thessaloniki promise that it was ready to receive the Western Balkans nations into the Union, when and as the Western Balkan nations bring themselves up to European standards.

What Thessaloniki implicitly recognized, even if in language weaker than some of us might have wished for, was that, for us in the EU, this was not a matter of charity. It was a matter of self interest, as well as moral obligation.

And one of those reasons of self interest lies in the fact the Western Balkans can add value to Europe, as an area of great cultural, ethnic and natural resource.



One aspect of this is of special importance.

Planted within the Western Balkans, and especially in Bosnia, is the 400 year old phenomenon of European Islam.

This is not the Islam we know from our inner cities – a generation or two old.

This is Islam which is distinctively and proudly European – and which sees, in the famous words of Bosnia's war time President Alija Izetbegovic, neither conflict nor anomaly in being both. An Islam which could not be radicalised, even in the face of being abandoned by the West for four genocidal years and suffering horrors such as Srebrenica.

In Bosnia and Herzegovina, in Montenegro, in the Sandjak, in Albania, and in Macedonia European Muslims are showing in their everyday lives that Islam can be no less a European religion than Judaism or Christianity . And in doing so they are providing Europe with a much-needed insight into the gentle, tolerant, civilized and civilizing values which are the true reality of Islam.

In the dialogue of the deaf between too much of ancient Christendom and too much of present day Islam, the insights of ancient European Islam in the Balkans has much to offer both sides.

So here is my case.

It is in Europe's interest to treat the Western Balkan countries, not as part of future enlargement, but as unfinished business within its present borders.

And that it should be Europe's policy to treat the Thessaloniki promise not passively, as an offer lying in the table for the Western Balkans nations to pick up if they can and wish to do so, but as a statement of active intent to take those steps necessary to bring the Western Balkan nations up to the standards necessary for EU membership - and to bring them in as fast as it is practical to do so.

There has, to be fair, recently been some movement in this direction – a policy paper is, I understand, due to be discussed with EU Foreign Ministers in a few days at Salzburg. I hope this is more than just a polite discussion, but marks instead a change of direction in the EU's policy to the Balkans.

How would such a policy differ from what we have now?

Well what we have now is the Western Balkans nations each individually embarked on the long trajectory of the Stabilisation and Association Process, overseen by the Commission under the extremely able and committed leadership of Commissioner Olli Rehn.

This is essentially the same process followed by Hungary and Poland and the other newly joined members of the EU, where the Commission sets out the tasks to be fulfilled and then stands on the touchline marking the card as the would be member nation hopefully scores the required goals.

But the Western Balkans nations are not Hungary or Poland.

They are fractured and, in some cases still fracturing nations, just emerging from a devastating war .

They are all in one way or another, the subject of a wider process of international peace stabilisation, whose pro-active task is to build stability, not just wait for it to emerge and whose contributory nations extend well beyond the EU – including, for example, the US, Canada, Russia, Turkey and Japan.

The European Commission is a member of this coalition – which, *ab initio*, makes it a player on the field, not just an umpire standing on the touchline.

The EU also has another heavyweight player in the field in the Balkans – the Council of the European Union, whose assets include two EU Special Representatives, one of them, in Bosnia, is, through his double hatting as the High Representative, equipped with the full and powerful panoply of the Bonn powers. The Council's assets also include a large

scale Police Mission and, EUFOR in Bosnia, which has replaced NATO as the stabilisation force charged with preserving security in that country.

So who is in charge, speaking for Europe in the Balkans? The Commissioner, of the Council?

The rather embarrassing answer is no-one knows. The EU Constitution, had it gone through, would have solved this problem. But the Constitution has, as we all know – well, how shall I put it? - stalled.

Europe speaks with a divided voice – and even sometimes with a contradictory one in many parts of the Balkans. Not in Macedonia, where the Commission has agreed to allow its Head of Mission to be double hatted to the Council as the EU Special Representative.

But certainly in Bosnia and I suspect in Belgrade too, there is confusion as to who does what for Europe, with individual EU nations chipping in on a free lance basis and the Commission and the Council not always on the same line – to put it euphemistically.

This is deadly, if Europe wants to be taken seriously in the Balkans and increase its leverage to make things happen.

Over a thousand years of foreign occupation, the nations of the Balkans have become the world's foremost experts at driving wedges. It is just folly to make it even easier for them to do this. Yet that is precisely what Europe's confused structures are doing.

If we are serious about using Europe's influence in the Balkans effectively, we must remedy this problem.

Secondly, what the EU also needs to do is to start to look at the region as a whole, rather than as penny packet nations, which require penny packet policies.

This has been the West's biggest mistake in the Balkans – we have chosen a fractured nation by nation policy approach, instead of a co-ordinated regional one. We seem to have concluded that the best way of dealing with the Balkans is to start off by first Balkanising ourselves!

And the consequences have been plain and painful.

We recognised Croatia and blew up Bosnia. We finally sorted out the Bosnia problem and – whoops – there goes Kosovo. We invaded Kosovo and then – damn! – Macedonia and the Presevo valley flare up.

Sitting in the office of Bosnia's High Representative and European Union Special Representative's Office in Sarajevo, I can tell you – there was not one major problem I

had to deal with which would not have been easier to solve if it had been dealt with on a regional, rather than national level – from crime, to corruption, from the economy, to energy, from local regeneration, to transport, from agriculture, to politics all of the big issues had strong regional dimensions. And all of them would have been easier to solve if our solutions had had a regional element, too. And by the way, that applies most particularly to the regions two biggest problems – Kosovo and the unresolved issues of Karadzic and Mladic.

So what the EU needs is not just a set of detailed policies for Bosnia and another for Serbia/Montenegro and another for Macedonia and another for Albania, Kosovo etc, but a single overarching set of policies for the region, whose center piece is the integration of the region, economically, politically and in every sphere, on the basis of European standards.

Next, the EU needs to be much more muscular about its conditionality. The Union pours millions and millions of Euros into the region – far more than the US. But the US gets far more influence for the money it spends, because it speaks with a single voice and is prepared to be much more brutal about the conditionality it attaches to its largesse.

The EU could afford to take a leaf from the US book and be much less squeamish about what it expects to see for the money it spends. In the Balkans a certain muscular straightforwardness is expected and respected. Being a soft touch isn't.

Next I want to propose that the EU should widen the SAA process to include more overtly political aims.

One senior Commission official once said to me that the European Union was not just a union of peoples and rights, it was also a union of standards.

It's a good phrase and an accurate one.

But standards, though vital, can be dry things.

Nations are made up of more than bundles of technical criteria for economies and customs services and judicial processes.

Countries also need to be organised effectively in order to work effectively.

Surely this, too is a European standard too? The bottom line, surely must be that in order to join a Union of states organised to serve their citizens efficiently, it must be necessary to meet minimum standards of efficient state organisation, whose purpose is to serve the citizens to the same standard as in other European nations.

Bosnia is manifestly far from being such a state

It is plain to all that Bosnia and Herzegovina must now reform the Dayton Constitution which though essential to the first phase of its journey from war – the stabilisation phase, is now clearly an impediment to the second phase – the phase of building a state.

It is manifest nonsense to pretend that you can join Europe, with thirteen Prime Ministers and thirteen full scale governments for a nation of only 3.5 million people. It is also nonsense to claim that you can win the loyalty of your citizens while spending 70% percent of those hard pressed citizens taxes, just on government and only 30% on citizen's services, such as health, education, pensions and welfare.

Everyone, including every citizen in BiH knows it can't go on like this.

And, as a «player on the field» member of the international peace stabilisation mission, the European Commission agrees.

But in its role as «umpire on the sidelines» of the SAA process, the Commission has, at least until now, said constitutions have never been the stuff of SAAs, and cannot be made so now.

And so the EU and Bosnia are missing out on an opportunity to exercise the greatest single piece of leverage that it has at the moment - the SAA - in order to achieve success in solving the biggest problem it has today – constitutional reform.



I am sorry to be blunt, but to me this represents the triumph of bureaucracy over plain common sense.

Lastly – visa free access.

Here is a conundrum for you.

Currently the European Union has negotiated a simplified visa regime with the Russian Federation , which has no immediate aspirations to join EU and is conducting talks with the Ukraine with the same intent. But the same EU has dragged its feet since Thessaloniki in doing the same for the Balkan countries – despite the fact that all of these countries are now embarked on the European path.

Finally, at the end of last year the EU promised to take the first steps towards future negotiations have begun, with the West Balkan countries on visa liberalisation – again on a country by country basis. Talks may start with Macedonia this year. But already some EU countries are voicing opposition.

And so the leaders of Europe made their Thessaloniki promise to the citizens of the Western Balkans that they can join the EU if they reach EU standards – and citizens of the West Balkans have responded by declaring that that is their ambition – and yet we do not allow them even liberalised visa travel to the Europe which they wish – and we want them to become part of.

I can tell you from four years in Sarajevo, that nothing – but nothing – matters more to the citizens of Bosnia than having the ability to travel in Europe. There is no reform they would not contemplate if that was the prize at the end of it. No thing they desire more that Europe can offer them, than the chance to have easier access to the Europe they rightly feel to be their homeland.

The time has come to honour the promise of Thessaloniki with a gesture which makes that promise live in the hearts of every citizen of the countries of the Western Balkans, by beginning a measured process of progressive liberalisation of visas for the region. This should involve a road map of reforms that they are required to meet, for improving judicial, immigration and customs systems, leading eventually to visa free access for the region, as they reach the threshold of full EU membership.

In this speech I have concentrated on what I think Europe – or rather the EU – should do in the Western Balkans.

I would like to end with a word to my Western Balkans friends about what they might do to maximise their chances of achieving, in the shortest time frame possible, their ambition to join the European Union.

I have three pieces of advice for my Balkans friends.

First; don't waste time.

I am absolutely confident that Europe's leaders are still, in the main, determined to deliver the promise they made to you at Thessaloniki. But the mood of their people is changing. The EU's ever open door to the East, may not stay ever open, ever more.

So you need to make haste making the reforms that are necessary to qualify for membership of the EU.

Secondly – and for the same reason – do not present yourselves as beggars at the gates of Europe, asking to be let in. Present your case to Europe on the basis, not of EU charity, but of the EU's self interest; your argument should be, not that Europe owes this to you, but that you can add value to Europe.

Thirdly, what this means is locking the countries of the Western Balkans together as fast as possible into a single integrated economic and coherent political space. Strip down as fast as you can, the barriers that divide you and present yourselves as a single market opportunity of over 50 million US dollars, an area of potential growth and a region of crucial geo-strategic importance for the European Union.

Your case should not be that Europe *must* afford to bring you in, but that the EU *cannot* afford to leave you out.

Because after four years serving Europe and the International Community in the Balkans I passionately believe this to be true.

The EU without the Western Balkans countries' would be an EU which had left an abcess from its own past within itself; an EU which continued to be infected with the crime and instability from which the Balkans has not yet fully emerged; and an EU which had, crucially, missed the last best opportunity to complete the project, born of its own wars, to overcome the last remnants of those trubulent times and to add strength to itself by incorporating the immense cultural, ethnic and resource wealth that the Western Balkan countries have to offer.

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