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Integrating the Western Balkans into NATO and the EU: Challenges, Expectations and Needs²

I. Introduction

The enlargement of the European Union (EU) and the North Atlantic Treaty Organization (NATO) are seen as beneficial both by bringing stability and security and introducing democratic and economic reforms. Both organisations have supported the Western Balkan³ countries in their respective processes of post-authoritarian democratisation, transition to market economies, and of post-conflict reconstruction. The enlargement perspective has played and continues to play a crucial role in the regional stabilisation and pacification processes.

Progress achieved by aspirant countries from South East Europe since the end of the violent conflicts is generally seen as considerable. However, the recently published EU Commission Progress Reports 2007 give an ambiguous picture: the reform processes are steady but uneven and in many areas the progress made is judged not satisfactory. In general, problems of ethnic intolerance, organised crime and widespread corruption, coupled with general underdevelopment and limited capacity, continue to hamper the reform processes in the Western Balkans.

It is therefore a timely moment to look at the integration processes and challenges, expectations and needs involved. This paper offers a *tour d'horizon* of political, social, economic and military/security aspects of the Western Balkan countries' integration into NATO and the EU. Although this paper looks at integration of the aspirant countries en bloc – the Western Balkan countries - the generalisation is limited as the transition and reform processes in each country follow their own paths at their own pace.

In November 2007, the state of integration of the Western Balkan region stands as follows: Subsequent to NATO's Riga Summit in November 2006, NATO has integrated all countries from the Western Balkans into its Partnership for Peace (PfP) programme. The three Adriatic Charter

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³ The term "Western Balkan" refers to Albania, Croatia, Bosnia and Herzegovina, Former Yugoslav Republic of Macedonia (FYROM), Montenegro and Serbia (including Kosovo).

countries (Albania, Croatia, the Former Yugoslav Republic of Macedonia) are in the alliance's Membership Action Plan (MAP) with prospects of possible accession in 2008. Croatia and the Former Yugoslav Republic of Macedonia have candidate status for EU membership.⁴ These two countries as well as Albania and Montenegro have signed respective Stabilisation and Association Agreements (SAA) with the EU. The EU Commission's announced goal is to have concluded SAAs also with the remaining two Western Balkan countries (Bosnia and Herzegovina, Serbia) during 2008. With both countries, SAAs have already been initialled, but signing is likely to be dependent on their performance of the EU's conditions. For Bosnia and Herzegovina, these include, among others, the implementation of police reform. For Serbia, the main stumbling block remains its cooperation with the International Criminal Tribunal for the former Yugoslavia. Furthermore, according to a recent statement by Serbia's Prime Minister Koštunica, an "illegal EU-mission to Kosovo" could also block Serbia's signature of the SAA.

The aspirant countries are facing various challenges related to the triple transition processes they are going through. However, these reform and modernisation processes are uneven and the EU's and NATO's approach of setting benchmarks and conditions bilaterally with individual aspirants has created some tensions and asymmetries among them.

II. General overview on political, social, economic and security aspects of Euro-Atlantic integration

Political and social aspects

The Importance of integration into Euro-Atlantic organisations

Against the background of the region's recent history of bloody violence characterised by ethnic hatred and nationalism, integration into Euro-Atlantic organisations is of crucial importance – for the region's stabilisation and development, but also for the Euro-Atlantic community. On the one hand, the EU and NATO have invested considerable resources into the region and keep reaffirming their respective commitments to enlargement. On the other hand, non-integration would entail significant negative political, economic and psychological implications for the countries concerned and a negative impact on European security.

The Western Balkan countries are well on their way to becoming members of the EU and NATO, in spite of occasional temporary setbacks. This dual integration is considered necessary in order to reduce perceived fears and security dilemmas. Although alternatives have been put on the table (such as a more Russia-oriented position, a non-alignment policy or political Islam), they are clearly not viable on the long run, even if parts of the political elite in some countries will put them forward as a tactical move in internal politics. The commitment of all the countries in the region to

⁴ Based on the EU Commission's Progress Reports 2007, integration of any Western Balkan country into the EU before 2012 is unlikely, except in the case of Croatia which might get full membership by 2010.

the overall strategic goal of Euro-Atlantic integration will prevail over time, considering the irresistible “pull-factor” of the EU and NATO, and of the Western values and prosperity they represent.

The role of public opinion and civil society

So far, the role of Western Balkan civil societies and NGOs in the political debate on Euro-Atlantic integration has been minimal. Their activity regarding political affairs in general is rather weak and particularly so in the security domain. Apart from the legacy of life under past authoritarian regimes, this situation is partly due to the difficult economic situation in which many people have found themselves over the past years – their focus is on their own daily struggle rather than on the grand international picture. Furthermore, the little debate on Euro-Atlantic integration that is taking place is often characterised by stereotyping.

Despite negative perceptions (such as seeing NATO as an “aggressive military organisation”) by some NGOs, public opinion favourable to integration into NATO and the EU seems to prevail in the Western Balkan countries. Not unusual, public opinion polls tend to fluctuate in accordance with individual events: downwards after the bombing of Milošević’s Yugoslavia in 1999, upwards after the signing of Stabilisation and Association Agreements and Partnership for Peace Agreements. In countries where the political elite is unanimously in favour of integration, the upward trend in the public opinion polls is particularly visible. However, this is less so in Montenegro and Serbia – countries in which the political elites are divided. In Bosnia and Herzegovina, the level of public approval is significantly different for integration into NATO compared to integration into the EU. As is the case of other Western Balkan countries, public opinion is more comfortable with the idea of EU integration than integration into NATO.

The danger of authoritarian and nationalistic setbacks

The Euro-Atlantic integration process has positively influenced democratic developments in the Western Balkan countries and further reduced the risk of regression to authoritarian rule. At present, democratic governments are in power in all Western Balkan countries. However, this does not exclude the possibility of internal political tensions and disputes, in fact, such occurrences are not infrequent. A possible worst case scenario could include the establishment of paternal rule within the limits of democratic rule. Other possible scenarios point at the risk of different forms of authoritarianisms in which the ruling group exercises power through economic mechanisms such as state monopolies, by control over the financial sector and/or through the control of the media. Extremist groups and organised crime may constitute additional threats to democratic developments in the region.

Endogenous obstacles to reforms

As observed in other post-conflict countries, an ideological fight between traditionalism versus modernism is taking place among the elites in Western Balkan post-conflict societies, maybe

most visibly in Serbia. This internal political struggle, characterised also by tactical manoeuvring by local politicians, makes it difficult to clearly identify common national priorities and interests (such as Euro-Atlantic integration) and transform them into coherent foreign and security policies. Moreover, local leadership often lacks expertise in issues related to Euro-Atlantic integration.

False expectations and prejudices

Polls indicate general misunderstandings and prejudices regarding the costs and benefits of EU and NATO membership within the population. The mismatch between self-perception and current geo-strategic realities can furthermore aggravate prejudices. High and partly unrealistic expectations towards the EU dominate public opinion, such as that integration into the EU would solve all political and economic problems of the region immediately. The profit-oriented (which means down to earth) business community in the Western Balkan countries could play a role in reducing prejudices and bringing expectations back to realistic proportions.

Economic aspects

Modernisation of the Western Balkan countries' economies and their competitiveness are key issues in the accession process to the EU (and NATO). Their participation in this process helps to establish a favourable environment for economic growth. A greater general sense of security and stability of the region that results from this rapprochement is something that should, for example, attract more foreign direct investment.

EU instruments

Making EU funds accessible to Western Balkan countries sends out an affirmative signal and helps to create positive perception in the countries about the Union. The EU has a number of instruments at its disposal to financially and technically support Western Balkan countries on their way to integration. From 2000-2006 CARDS was the main pre-accession financial instrument for the Western Balkan countries in the framework of the Stabilisation and Association Process (SAP). Starting from 1 January 2007, IPA (Instrument for Pre-accession Assistance)⁵ replaced the various already existing pre-accession financial instruments including CARDS and PHARE. The Western Balkan countries with candidate status (Croatia, FYROM) and potential candidate status (Albania, Bosnia and Herzegovina, Montenegro, Serbia) will benefit from this new instrument.

NATO

Membership in NATO is generally perceived to bring greater benefits than costs, with the exception of Serbia and the young state of Montenegro where there is some public concern about

⁵ IPA consists of five components: 1) the transition assistance and institution building (which principally involves institution building measures with accompanying investment); 2) cross-border cooperation; 3) regional development; 4) human resources development; and 5) rural development.

the costs associated with sending troops abroad. However, it seems that the general public is uninformed about the cost-benefit ratio of NATO membership, e.g. the cost for updating the defence system to meet NATO standards versus the real and psychological benefits of higher perceived security. Aspirant countries also attach a tactical benefit to NATO membership, it being seen as stepping stone for EU membership. Other advantages that come with membership include reduced security concerns, lower defence costs as compared to individual national defence, gaining support to modernisation of the armed forces, and the positive signal NATO membership sends to foreign investors. Countries participating in the Partnership for Peace programme can profit from PfP instruments like PAP-DIB⁶, promoting more efficient use of their resources.

The Western Balkans' competitive economic edge

In view of the Western Balkan countries prospects of Euro-Atlantic integration, how competitive are their economies? Will they be capable of coping with competitive pressure within the European Union? At this point in time, it is still difficult to identify the Western Balkan economies' competitive edge as the respective competitive potentials are generally low. Market reforms undertaken due to the EU accession process have restructured the economies to a considerable degree. The privatisation of a large number of state-owned enterprises is a good indicator. However, these reforms are looked at with some concern as negative consequences on employment and social security are feared, in fact experienced.

Security sector aspects

Main risks to security

The Western Balkan region appears to have matured enough to deal with bilateral issues (including border demarcation) on its own. While there seem to be no external threats to security of the countries in the region, the unresolved status of Kosovo is nevertheless perceived as the primary imminent security threat in the region. In this context, there is still a certain level of risk of local outbursts of violence, even armed clashes.

Impact of Kosovo status issue

There is no alternative to moving forward with the redefinition of the status of Kosovo. The impact of the resolution of the question of Kosovo's status may vary in the short and in the longer term.

In the short run, possible repercussions in Serbia may be activities of extreme right-wing groups and a trend towards nationalism. Furthermore, sporadic violence is possible in Kosovo and southern Serbia, but serious violent outbursts are unlikely elsewhere in the region. While these threats to security may be limited due to Euro-Atlantic presence in the region, potentially destabilising political repercussions across the region are not impossible. In the longer run, there

⁶ Partnership Action Plan - Defence Institution Building (PAP-DIB)

is the risk of a deteriorating internal situation in Kosovo due to the enormous economic, social and governance challenges. Such development could seriously threaten regional stability.

EU/NATO and security sector reform – division of labour or burden sharing

The Euro-Atlantic institutions have been playing a key role in bringing forward security sector reform (SSR) in the region since the end of the Yugoslav wars in the 1990s. They have developed a number of tools to provide assistance to SSR: while NATO mainly engages in defence reform, the EU is active in reforming the justice and home affairs sector. Both EU and NATO maintain sizable peacekeeping contingents in the region. With all Western Balkan countries now under the umbrella of the Partnership for Peace programme,⁷ NATO can use the whole range of its PfP instruments such as IPP, IPAP, PARP, PAP-DIB⁸ to assist Western Balkan countries. The three Adriatic Charter countries, Albania, Croatia, and the Former Yugoslav Republic of Macedonia, receive additional SSR assistance through MAP (Membership Action Plan).

On the other hand, the EU has steadily increased its attention to security sector governance issues by setting conditions as part of the Stabilisation and Accession Process. Building on its recently adopted framework strategy concept on SSR⁹, the EU should gradually increase its capacity to tackle the SSR challenges holistically by developing and funding assistance programmes dealing with sectors and issues outside its traditional focus on justice and home affairs.

Key SSR challenges

The Western Balkan countries have made considerable progress in reforming their security sector over the last years. While the reforms are heading in the right direction, they continue to suffer from occasional slowdowns and the ever possible risk of backsliding still reflect the violent legacy of the 1990s. The progress achieved differs from one country to another.

Whilst the transformation of the armed forces as well as of border services are generally seen as most successful, there remain many SSR-related areas in which more must be done, namely police, intelligence and secret services, democratic civilian control over the security sector, intra-governmental coordination and resource management. For instance, in Serbia there is still the perception that the secret services pose a threat to the public. The private security sector is largely unregulated and in some places still operates in a grey zone.

⁷ The democratic requirements relating to security sector governance were codified in the PfP Framework Document 1994 (facilitation of transparency in national defence planning and ensuring democratic control of defence forces) and the Membership Action Plan (1999).

⁸ Individual Partnership Programme (IPP); Individual Partnership Action Plan (IPAP); Planning and Review Process (PARP); Partnership Action Plan - Defence Institution Building (PAP-DIB).

⁹ Commission of the European Communities, *Communication from the Commission to the Council and the European Parliament: A Concept for European Community Support for Security Sector Reform*, COM(2006) 253 final, 24 May 2006.

From the perspective of democratic governance of the security sector, the lack of civilian expertise in governments and parliaments, the weakness of civil society including the media, especially in the security domain, are problematic shortcomings.

III. Implications for the future integration process and recommendations

In view of the subsequent phase of the integration process, which are the most urgent problems to be tackled by the aspirant countries, on the one hand, and the Euro-Atlantic organisations, on the other? What measures should be taken to make the Euro-Atlantic perspective more tangible to aspirant Western Balkan countries?

Political and social aspects

Although the Western Balkan countries are heading towards membership of the European Union and of NATO, the attainment of these goals are bound to a long-term process. Notwithstanding the considerable progress in reform that has been achieved and also acknowledged by the Euro-Atlantic organisations,¹⁰ the past years have also revealed that reform is a complex, challenging and time-consuming process. The risk of diminishing enthusiasm for reforms of the ruling elites and the slowing down of the pace, is a real possibility. Therefore, in order to confirm the Euro-Atlantic organisations' strong commitment to enlargement and to encourage the continuation of reform, tangible rewards for aspirants during the accession process should be timed in predictable short-term intervals.

Sceptics, misunderstandings and false expectations on both sides show that information and communication require improvement. The civil society and public opinion need to play an important role in the accession process but are currently neglected in the political debate. Governments in the region should invest more in carefully prepared information strategies. One strategy could be to change the attitude of institutions which the public trusts. This may be an efficient method to change public perception as the example of cooperation between the Army of Serbia and the Ohio National Guard shows. Other factors such as the influence of the business community should not be underestimated but taken into account. They should be one of the main target groups for western information campaigns and education programmes.

In order to improve the government administrations', the local politicians' as well as the general public's knowledge about Euro-Atlantic organisations and accession to them, the Western Balkan governments should develop specific information strategies. The Euro-Atlantic organisations could provide or support more training and education on integration issues.

¹⁰ For the EU, see EU Commission Annual Progress Reports 2007, released on 6 November 2007.

Economic aspects

The range of financial tools the EU has at its disposal to support the Western Balkan countries is sufficient. Rather than creating new instruments, the existing instruments should be used more efficiently. This requires awareness-raising about the existence of these funds, as well as increased knowledge and absorption capacities in the aspirant countries. Supporting effectively the potential candidate countries on their way to reaching the full candidate status is an urgent priority. This would extend their access to much needed EU funding, helping them close the development and reform gaps more quickly. It would also reaffirm the promise of full EU membership which remains the key driving force for democratic transition of the region. During the process towards integration into Euro-Atlantic organisations, regional cooperation between the Western Balkan countries should be strengthened in order to, *inter alia*, attract foreign investors. Better EU and NATO support programmes for effective regional cooperation should be explored.

While more market reforms will be beneficial to the long-term restructuring of the Western Balkan economies, further liberalisation should go along with gradual strengthening of the still very fragile and insufficient social safety nets.

Security sector aspects

Kosovo's status issue is a potential spoiler of the stabilisation process of the region. In order to reduce the risk of escalating outbursts of violence, the international community's and foremost the Euro-Atlantic organisations' engagement and presence in the region continue to be necessary.

NATO membership of Albania and the Former Yugoslav Republic of Macedonia is desirable for securing the borders and for continued stability.

Democratic institution building and SSR are urgently needed in Kosovo. Assistance from the Euro-Atlantic institutions should not wait the resolution of Kosovo's future status.

Given that NATO presence and EU conditionalities are seen as key driving factors in SSR, NATO's and the EU's role should remain strong and should possibly be backed by productive partnerships (Twinning programmes).

In general, more attention should be given to education and training. Though already relatively well-functioning, control and oversight mechanisms should be strengthened. Accountability, currently the weakest element of security sector governance in the Western Balkan countries, needs further support. Addressing insufficient democratic governance is particularly needed in the case of the private security sector, which should be regulated by adequate laws and properly overseen by democratic control mechanisms. Police as well as intelligence and secret services are other security sector areas where further reform is needed.