

An Unsung Success Story? Regional Cooperation in South East Europe

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RÉSUMÉ

Après la dissolution violente de la Yougoslavie dans les années 1990, la coopération interétatique est devenue la norme dans la grande Europe du Sud-Est, une zone englobant ce que l'on appelle les Balkans de l'Ouest, les Etats membres de l'UE - la Grèce, la Roumanie et la Bulgarie -mais aussi la Turquie et même la Moldavie. Des institutions et des systèmes multilatéraux couvrent désormais un large éventail de politiques : depuis les cours d'eau transfrontaliers jusqu'à la promotion de l'investissement en matière de défense et de sécurité. Ces régimes ont été partie intégrante de l'intégration de la région dans les clubs de l'Ouest tels que l'UE et l'OTAN. L'article fait le point sur le virage de la coopération dans la politique des Balkans dans les années 2000 et analyse les origines, la dynamique et les limites des institutions et des régimes opérant au niveau intergouvernemental dans un certain nombre de politiques couvrant les domaines du commerce, de l'énergie, de la justice et des affaires intérieures. Ce texte fait valoir que la coopération régionale est principalement un sous-produit de la force gravitationnelle et des politiques de puissants acteurs extérieurs comme l'UE. Les schémas locaux d'interdépendance jouent un rôle secondaire et sont principalement responsables des formes flexibles de collaboration « minilatérale » ou de voisin à voisin.

ABSTRACT

Following the violent dissolution of Yugoslavia in the 1990s, interstate cooperation has become the norm in wider South East Europe, an area encompassing the so-called Western Balkans, EU member states Greece, Romania and Bulgaria but also Turkey and even Moldova. Multilateral schemes and institutions now cover a broad array of policy areas, from cross-border waterways to investment promotion to security and defence. Such schemes have been part and parcel of the region's integration into Western clubs such as the EU and NATO. The article takes stock of the cooperative turn in Balkan politics in the 2000s and analyses the origins, dynamics and limits of institutions and schemes operating at the intergovernmental level across a number of policy-areas including trade, energy and

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justice and home affairs. It argues that regional cooperation is mostly a byproduct of the gravitational pull and policies of powerful external actors such as the EU. Local patterns of interdependence play a secondary role and are chiefly responsible for flexible forms of 'minilateral' or neighbour-to-neighbour collaboration..

Following the violent dissolution of Yugoslavia in the 1990s, interstate cooperation has become the norm in wider South East Europe, an area encompassing the so-called Western Balkans, EU member states Greece, Romania and Bulgaria but also Turkey and even Moldova. Multilateral schemes and institutions now cover a broad array of policy areas, from cross-border waterways to investment promotion to security and defence. As of the summer 2008, the Regional Cooperation Council (RCC) operates in once war-torn Sarajevo, 'regionally owned' by the countries of South East Europe, after long years of tutoring by the European Union (EU), the International Financial Institutions (IFIs) and Western governments. The process, in the wider sense, involves not only governmental agencies but also all manner of private actors, from businesses to sports associations. (A Balkan professional basketball league with teams from Bulgaria, Serbia, Macedonia, Romania and Montenegro was launched in 2008). This has been especially visible within the confines of former Yugoslavia. Journalist Tim Judah, covering Western Balkan affairs for *The Economist*, has recently written an illuminating piece about the (re)emergence of 'the Yugosphere'.¹

Of course, the spread and growth of regional institutions and the deepening of human and economic networks does not mean that past grievances are forgotten and divisive issues resolved. The continuing saga over Kosovo's independence, entering a new stage with the International Court of Justice advisory opinion of 22 July 2010, and the precarious state of affairs in Bosnia and Herzegovina (BiH) are vivid reminders of the problems, tensions and rivalries that have earned the Balkans an unflattering name in global political discourse. One of the unfortunate consequences of the standoff between Prishtina and Belgrade is the exclusion of Kosovo from all manner of all-Balkan schemes, which previously involved UNMIK. But in a longer historical perspective, especially if one looks back to the cold war era and the turbulent early 1990s, it is impossible to deny the headway made. Domestically, democratization and the transition to market economies has made significant

gains as testified by all international indices measuring transition, while enhanced linkages between neighbours has aided economic development, particularly concerning the successor states of ex-Yugoslavia. Though the pace of such developments has been more often than not sluggish, as of the 2000s the direction is clear.

The following article addresses two interrelated questions. First, what are the factors and broader economic, political and social forces that drive forward regionalism in Europe's southeast and explain the turn, incomplete though it might be, from ethnic strife, conflict and competition to cooperative engagement? Second, what has regional cooperation delivered? Unlike other similar publications the article does not concentrate on individual institutions such as the Stability Pact for South East Europe (SP), RCC or the South East European Cooperation Process (SEEC), the intergovernmental body set up by the regional countries in 1996 with roots going back to the pioneering summit of Balkan foreign ministers held in Belgrade back in 1988. What it does instead is to zoom in on three crucially important sectors that have been in the centre of the regional cooperation agenda since the mid-1990s: trade, energy and what is known in EU-speak as 'justice and home affairs' (JHA), that is matters of law enforcement and soft security. That way it sheds light on the underlying dynamics but also the obstacles informing the Balkan brand of multilateral cooperation.²

What drives regional cooperation?

The study of regionalism has carved out a niche of its own in the academic field of International Relations.³ Interest in the subject mushroomed after the end of the Cold War with the re-energizing of old schemes such as the European Community (becoming EU in 1993), ASEAN and the appearance of new institutions like Mercosur in Latin America's southern cone or NAFTA. While intra-Balkan cooperation takes place on an altogether different spatial scale and its ambitions have always been more limited, the literature on regionalism provides useful insights into its causes, character and underlying dynamics.

There are, roughly speaking, three groups of factors at play. When discussing cooperation within a regional setting, theorists usually highlight *interdependence*, that is linkages running between societies, markets and political systems that create demand collective response by relevant actors, principally though not exclusively governments. In South East Europe, the

variable has traditionally had negative impact. Economic fragmentation, exacerbated by the Yugoslav wars of succession, has impeded growth and development. Deficiencies or sheer lack of cross-border infrastructure connections has bottlenecked exchange within the region but also, more importantly, with key export markets in Western Europe. At the same time, the conflicts in former Yugoslavia bequeathed a host transnational issues binding together a wide circle, if not all, countries in the area: refugees and internally displaced persons, the spread of organized criminal networks, various forms of illegal trafficking carried out by multiethnic syndicates. While economic fragmentation has typically obstructed the advancement and institutionalization of regional schemes, such challenges have called for collective action on behalf of Yugoslavia's successors and also their neighbours in the Balkans and Central Europe.

The second set of factors relates to the *push* from powerful outside sponsors of regionalism. Since the conclusion of the Dayton/Paris Peace Accords in the autumn of 1995, EU and the US have made the promotion of multilateral economic and political initiatives their core policy in and around former Yugoslavia. A renewed impetus followed after the 1999 war in Kosovo which led to the inauguration of the SP, a brainchild of the then German Presidency of the EU Council assisted by a host of international financial institutions and western governments. It was followed by the Stabilization and Association Process (SAP) for the Western Balkans, mainly a bilateral instrument aimed at bringing individual countries into the EU fold, based on their fitness but complemented by a robust multilateral dimension seeking to tackle horizontal issues putting all target countries, figuratively speaking, in the same boat. One should not overlook schemes covering the area of security and defence, falling into the ambit of NATO. As early as 1996, the Clinton administration launched the South East Defence Ministerial (SEDM), which has since implemented initiatives such as the Balkan countries' joint peacekeeping force known as SEEBRIG. Later, in 2003, the Bush administration designed the Adriatic Charter involving NATO membership frontrunner states: Croatia, Macedonia and Albania.

The last, but certainly not the least, factor to take into account is *regional identity*. Scholars of regionalism, particularly those adhering to the Social Constructivist school, have seen the phenomenon as grounded in or adding to a 'we-feeling', a sense of community underpinned by common cultural idioms, language, political and social norms. Though it is problematic to speak of a shared Balkan notion of belonging, be it at the level of political elites or publics

at large, transnational identities are not uncommon. The most banal, but telling and illustrative, example is the bloc voting in the Eurovision song contest. Such cross-border patterns of identification are, for obvious historical and cultural reasons, at their strongest within the confines of former Yugoslavia. Yet one can also speak of a shared, thin sense of identity in South East Europe deriving from the region's peripheral position vis-a-vis the model societies of the West. The collective drive for integration into the EU and NATO as 'South East Europe', rather than the maligned Balkans, has advanced such notions of regional identity. For their part, such constructions have facilitated the reception of normative models of regional cooperation and integration projected by external actors, first and foremost the self-styled 'normative power' that is the EU.⁴

Sectors of cooperation

These three broad causal forces have variable impact across different policy-areas. For instance, interdependence is a more robust driver for collective action in the rule of law domain where South East Europe has always been more cohesive regional unit. Less so in economic areas as individual countries, as a rule, have stronger trade and investment ties with the 'core' EU rather than regional neighbours. For their part, identity concerns do not play a direct and self-standing causal role but rather shape the cognitive environment within which local and external agents interact. The following section investigates the development of regional cooperation in several key areas to trace the main achievements made but also relate them to the overarching factors.

Trade

Trade is at the heart of any regional endeavour but in South East Europe it took considerable period of time to implement a far-reaching liberalization scheme. Despite some pre-existing bilateral free trade agreements (FTAs), for instance between Macedonia and rump Yugoslavia (signed in 1996), Croatia and Slovenia (both in 1998), it was only with the SP that a multilateral initiative was put on the table by the European Commission. The EU used SAP conditionality to encourage the Western Balkan governments. The closing statement of the Zagreb Summit (November 2000) featured a commitment to regional cooperation and mentioned explicitly the build-up of a free-trade area.⁵ However, the target governments (not just the SAP countries but also Bulgaria and Romania at the time) opted for a model whereby liberalization

would take place through *bilateral* agreements, rather than a regional instrument, and therefore complement *lia*, by the high profile of Slovenia as a trade and investment powerhouse in the Western Balkans (with the exception of Albania), a development related to the favourable regimes established as a result of the region's closer integration into the EU. In 2008, Slovenia was BiH's second most significant trade partner after Croatia (16.8 per cent of Bosnian exports, 12.8 per cent of imports). In 2002-04, half of the country's investment outflows went to other former Yugoslav republics.¹³

One caveat is due here. The picture of South East Europe as integrated only within the confines of ex-Yugoslavia changes noticeably if one is to include Greece into the region in focus. The country is a leading trade partner for all its immediate neighbours to the north, Bulgaria, Albania and Macedonia. In 2008, it was the second most important source of imports for Albania and Macedonia (12.5/12.4 per cent of the total) and third for Bulgaria (5.4 per cent). 9.9 per cent of Bulgarian exports went to Greece (the top destination) compared with 12.5 and 11.8 per cent for Macedonia and Albania. One should also add Turkey, which is the third largest export market for Bulgaria as well as a source for significant share of imports to Romania (4.9 per cent), Albania (6.9 per cent) and Macedonia (5.6 per cent).¹⁴

Energy

Energy has been a top priority for all countries in South East Europe, partly because of their dependency on imports, partly owing to the advantages of the region's intermediate position between the suppliers around the Caspian Sea and in Central Asia and the consumers in Western Europe. Starting from the early 1990s, governments have touted various schemes for the construction of oil and gas pipelines eager to reap the economic and security benefits. Some oil infrastructure projects have remained on paper: Burgas-Vlorë (Bulgaria, Albania and Macedonia), Constanța to Omišalj/Trieste (Romania, Serbia, Croatia, Italy), the connection of the Družhba pipeline with the Adria system (Hungary-Croatia). Limited resources, technical difficulties, environmental fallout and, most conspicuously, the uncertainty of future supplies have presented serious obstacles.¹⁵ Only smaller-scale projects as the pipe connecting Thessaloniki and Skopje have been completed. While a tripartite agreement on Burgas-Alexandroupolis was signed in Athens by Prime Ministers Kostas Karamanlis (Greece) and Sergey Stanishev (Bulgaria) and President Vladimir Putin of Russia in March 2007, the future prospects of the project are uncertain due to internal opposition in Bulgaria as well as the progress of the

Samsun-Ceyhan pipeline located entirely on Turkish territory.

Similar to oil, gas, too, has fueled both cooperation and competition in South East Europe.¹⁶ When in November 2007 Gazprom signed a deal with the Italian energy firm ENI for a gas pipeline under the Black Sea, bypassing Ukraine engaged in several political and commercial disputes with Russia, Bulgaria, Greece and Serbia hurried to jump on the bandwagon and ensure that the route would pass through their territories. South Stream is in competition with the Nabucco project supported by the European Commission and the US government and inaugurated in July 2009 through an intergovernmental agreement signed in Ankara by Turkey, Bulgaria, Romania, Hungary and Austria. The future of both pipelines is far from clear owing to the prohibitive costs and, similar to oil, the uncertainty whether there will be sufficient supply of gas from the exporters (Russia, Azerbaijan, the Central Asian republics). For all the fuzz generated by grand projects worth billions of euro, regional cooperation in the area of gas has been served best by much more practical, lower-key initiatives such as the interconnection of Turkey and Greece's networks completed in the autumn of 2007. Another interconnector is currently under construction between Greece and Bulgaria while the European Commission has been drawing plans for a Western Balkan gas ring (proposed originally in 2003 by the Greek and Turkish public companies DEPA and BOTAS) which involves, amongst other things, linking Serbia's network with those of neighbouring Croatia, Bulgaria and Macedonia.¹⁷ These small-step arrangements help the diversification of gas supplies to the Balkans and reinforce the integration of local energy markets.

Despite the political salience of oil and gas, the electricity sector has seen the most remarkable advancement. Cooperation in that area has been facilitated by the intra-regional complementarities. While some have been suffering from chronic shortages (the Western Balkans, Turkey, Greece), others like Bulgaria (up until the closure of Units 3 and 4 of the Kozloduy Power Plant in 2007) and Romania have excess capacity due to the rapid deindustrialization after the fall of communism. Until 2003, however, the two countries were not part of the Union for the Coordination of the Transmission of Electricity (UCTE) bringing together the EU member states.¹⁸ Serbia and Montenegro and Macedonia, though applying the UCTE technical standards, were disconnected from the grid in the early 1990s.¹⁹ Many national grids in the Balkans were not interconnected while the 1990s severely damaged the transmission infrastructure in eastern Croatia and BiH. As a result, the SP tabled the connection between Albania and Montenegro and between Bulgaria

and Macedonia as a priority while South East European Cooperative Initiative (SECI), a US-launched scheme dating to 1996, negotiated in 2001 a regional memorandum on grid connectivity. In the 2009 regular reports, the European Commission notes that several 400kV transmission lines have either been completed: Gjueshevo (Bulgaria) - Deve Bair (Macedonia), Niš - Leskovac (south Serbia, to be extended to Skopje); or are under construction: Elbasan (Albania) - Podgorica (Montenegro).

Balkan government made some early steps towards integration. In September-October 1995, the Albanian, Bulgarian, FR Yugoslav, Greek and Macedonian authorities carried out a successful test for a synchronous connection of national grids. In 1999, energy ministers (excluding Croatia and Turkey) set 2006 as a target date for the launch of a regional market. From that point onwards the European Commission (DG Transport and Energy), which had originally developed the plan deriving from the intra-EU energy liberalization initiatives, assumed leadership.²⁰ In November 2002, the EU, Western Balkans (including UNMIK/Kosovo), Bulgaria, Romania and Turkey signed in Athens a MoU pledging to open the retail markets to operators from the other participating countries by January 2005 through implementing the EU Electricity Directive (96/92/EC).²¹ In December 2003, energy ministers adopted another memorandum extending the same framework to gas in line with Council Directive 2003/55/EC.²²

Such steps paved the way to the Energy Community Treaty signed in October 2005, again in Athens, by the European Community, Bulgaria, Romania, the Western Balkan governments (including UNMIK/Kosovo). Turkey chose to stay out of the treaty preferring to delay harmonization with the *acquis* to a future point in its membership negotiations (Renner, 2009). The Energy Community's organization structure copies that of corresponding bodies within the EU itself. The bulk of the work is carried out by a permanent secretariat in Vienna, with the EU budget covering 98 per cent of the operational cost, not unlike the CEFTA 2006 secretariat in the first year of its existence.²³ A ministerial council monitors its activities aided by a permanent high-level group of senior officials. A Regulatory Board brings together representatives of the national regulatory authorities, much like the European Regulators' Group for electricity and gas (ERGEG).²⁴ There are also four issue-specific fora: electricity (going back to the 2002 memorandum), gas (established with the 2005 treaty), social impact of energy reform (October 2007), and oil (December 2008).²⁵

Despite recurrent calls for 'regional ownership', the Energy Community is a

body firmly anchored and guided by the EU institutions and frameworks. As a consequence, its prospects are dependent on the pace of EU integration in South East Europe. The participants' variable willingness and capacity of participating countries to implement the institutional and regulatory reforms listed in the Athens Treaty and its annexes which, in turn, highlights external anchors. In October 2009, the European Commission found that within the Western Balkans only Croatia had aligned its legislation to a sufficient degree.²⁶

All in all, the Energy Community is an example of the EU's piecemeal export of its legislation and institutional templates to a geographical area drawn into its orbit, sometimes described by the term 'external governance'. It is a de facto extension of the Union's policies in the Western Balkans, though other countries currently engaged in accession negotiations (Turkey), aspiring to deepen relations with the EU (Ukraine, Moldova, Georgia) or already part of advanced institutional arrangements (Norway in the European Economic Area) are also involved as observers. Moldova and Ukraine have joined the Community in 2010 as a way to enhance energy security, after the 2006 and 2009 gas crises involving Kyiv and Russia's Gazprom.²⁷

Justice and home affairs

When the Stability Pact was launched in 1999 the implicated governments and international institutions paid a great deal of attention on 'soft security' issues such as corruption, transborder crime, illegal trafficking, and migration management, all of which had become prominent in the Balkans during the Yugoslav wars of succession and spilled over into western Europe.²⁸ A subtable on JHA was inaugurated, reflecting the assumption that many challenges had to be tackled at the regional level. Its landmark initiative was an expert-level forum on organized crime (SPOC) coordinated by Austria, a country concerned about the issue owing to its location close to the Western Balkans. SPOC was a peer-review mechanism overseeing the transposition into domestic legislation of international instruments such as the UN Convention against Transnational Organized Crime, as well as its two additional protocols on human trafficking and illegal migration.²⁹ There was a perceptible duplication with the tasks assigned to the US-supported SECI. In May 1999, SECI members Albania, BiH, Bulgaria, Greece, Hungary, Macedonia, Moldova, Romania and Turkey signed an agreement to open regional centre on cross-border crime in Bucharest. Opened in 2001 and housed in the massive *Casa Popurului* (alongside the country's Chamber of Deputies and other institutions), the centre's task has been to help the exchange of

information amongst 15 liaison officers seconded by participating interior ministries and customs authorities. Their work is supported by a number of issue-specific taskforces as well as by a Prosecutors Advisory Group (SEEPAG) based in Belgrade.³⁰ While the centre scored practical results,³¹ initial assessments indicated that participating countries commitment was limited, especially concerning financial contributions.³²

Even under these constraints, SECI centre was, from the outset, judged more successful than SPOC, not least because of its more inclusive list of participants: from Hungary to Turkey, rather than the Western Balkans only. It was credited, for example, with a series of multi-country operations leading to the neutralization of human trafficking, smuggling and drug networks over the period 2002-09.³³ As a result, SPOC came under pressure to coordinate more effectively with SECI, and in late 2003, it established a permanent secretariat which was hosted by the Bucharest centre. Such efforts at streamlining were half-successful because of the copious bilateral programmes run by the EU, the Council of Europe and other institutions involved in South East Europe.

Like SPOC, the impact of other SP projects and schemes was limited because their chief goal was managing bilateral donor assistance rather than fostering regional cooperation. They were geared towards *common problems*, as opposed to *transnational/regional problems* requiring joint action.³⁴ A good example was the Pact's anti-corruption initiative (SPAI) supported by OECD. SPAI initiated a series of projects for the implementation of international anti-corruption standards, the promotion of transparency in public administrations, and, generally, advance good governance. Its efforts were complementary to the Regional School of Public Administration that opened at Danilovgrad in Montenegro (May 2006) with funding from the EU's CARDS programme.³⁵ However, SPAI was little more than a peer-review mechanism with limited implementation monitoring capacity (a regional liaison office in Sarajevo), whose programmes duplicated those of other agencies.³⁶ This was the reason why RCC, the successor of SP, convened in September 2008 a conference in Sarajevo to work out synergies by the multiple regional organizations and initiatives involved in JHA issues, not least SPAI renamed, as of October 2007, 'Regional Anticorruption Initiative' in line with the trend towards regional ownership of cooperation.³⁷

The 2000s saw a drive towards cooperation also from within the region too. In December 2001, the interior ministers of Albania, Bulgaria, Croatia, Greece, Macedonia, Romania, Turkey and FR Yugoslavia agreed to share

police information and strengthen border controls in order to combat cross-border crime.³⁸ In the wake of a high-profile conference on Balkan organized crime hosted in London on 25 November 2002 by the UK Home Office and the Foreign and Commonwealth Office, Belgrade organized a meeting of the region's interior ministers in March 2003 under SEECF, followed by two further conferences in Sarajevo.³⁹ Subsequent annual conferences, typically attended by the EU Home Affairs Commissioner too, institutionalized dialogue among the interior and justice departments in national executives, though the implementation of joint projects has been delegated to RCC. RCC has sought to cooperate with the SECI centre in Bucharest. The first outcome of this link is the upgrade of SECI unit into a South East European Law Enforcement Centre (SELEC) with an intergovernmental convention signed on 9 December 2009, a project which had been underway since 2007.⁴⁰ The new agreement solved the data protection issue that previously prevented full interoperability with Europol, one of the EU agencies steering the process.⁴¹

There is a trend towards intensified cooperation centred on the Western Balkans, as opposed to wider South East Europe. In June 2001, Bosnia and Herzegovina, Croatia and FR Yugoslavia signed a special agreement along the lines of the Palermo Convention on human trafficking and in February 2002, the three interior ministers agreed on a set of joint measures by the respective police forces.⁴² The establishment of regional bodies such as the Public Prosecutors' Network (PROSECO, established March 2005) or the South East European Police Chief Association (SEPCA), originally initiated by the SP, has put those coordination efforts on a more permanent basis.⁴³ RCC has also assisted the establishment of the Secretariat of the Police Cooperation Convention (PCC) for South East Europe located in Ljubljana (September 2008).

It is hard to judge how successful such initiatives have been in tackling cross-border threats. Unresolved status issues and deadlocked reforms, e.g. the endless saga concerning the creation of a unified police force in Bosnia, have created grey zones, both in geographical and institutional terms, which in turn weakens the impact of intergovernmental coordination. In addition, even if corruption and crime are a trans-border issue, the key locus of institution-building and transformation remains the domestic arena. The unequal progress towards the EU and the variable capacity of national governments to secure the rule of law are also bound to dilute cooperation. For instance, the absence of data protection legislation in some Balkan countries initially prevented the SECI centre to exchange of information with Europol as well as

between national law enforcement agencies.⁴⁴

On balance, there have been high-profile cases where intergovernmental frameworks have yielded visible results. Following the car-bomb assassination of Ivo Pukani, a prominent investigative journalist working the Zagreb weekly *Nacional*, on 23 October 2008, Serbian and Croatian police could arrest members of a criminal network operating in both countries. The trial opened in February 2010, a few days after one of the indicted surrendered to the police in Banjaluka, BiH.⁴⁵ Another trial against Sreten Jocić (Joca Amsterdam), a Serbian underworld boss implicated in the murder of Pukanić who had written widely on the Balkan tobacco mafia, is set to start in Belgrade at a special court on serious crime.⁴⁶

Cooperation in matters of justice has also made inroads into sensitive issues such as dealing with war crimes committed in the 1990s. There is now a web of agreements between the War Crimes Prosecutor in Serbia and the Prosecutors General in Croatia and Bosnia and Herzegovina. Significantly, regional cooperation has been singled out by the International Criminal Tribunal for former Yugoslavia (ICTY) as a precondition for delegating cases to national authorities. As Milica Delević notes, at times cooperation faces constraints. As a rule, countries in the Western Balkans have constitutional clauses prohibiting the extradition of their nationals. This prevents prosecutors and judges to effectively investigate and hear cases, given that more often than not indictees hold the passport of another post-Yugoslav state. In some bilateral relations this has not been a problem: for instance, Croatia has consented that Montenegro could try cases for war crimes committed on its territory, e.g. during the siege of Dubrovnik in late 1991.⁴⁷ Intergovernmental agreements such as the two treaties signed by BiH with Croatia and Serbia in February 2010 which work out measures for preventing dual citizens from evading justice by crossing the border is certainly a step in the right direction.⁴⁸

Conclusion

The foregoing overview of progress made in key functional sectors paints cooperation in South East Europe as a by-product of the region's integration into the EU. It is not coincidental that it has advanced most, in terms of institutionalization and 'output', in areas where the Union has a strong political mandate and extensive normative framework: trade policy, electricity markets. By contrast, in other domains where member states retain important powers and/or EU has to coordinate its efforts with other international players

– e.g. fighting organized crime and transnational corruption and especially oil and gas policy - South East European cooperation has proceeded at a slower pace. The fact that outside impulses have guided the process suggests that local interdependence plays a secondary part. It might facilitate joint action by Balkan governments but has rarely been a sufficient condition, in the absence of the external push provided by the EU, US, the IFIs etc. This is especially true for the pan-regional initiatives involving a wide array of countries, from Albania to Moldova, less so for ‘smaller-n’ schemes involving immediate neighbours whose interests and concerns coalesce more readily. Bilateral and ‘minilateral’ forms of interaction will surely proliferate: e.g. the recent inauguration of joint cabinet sessions between Greece and Turkey and Greece and Bulgaria following the model established by France and Germany.

The second important conclusion is that South East European cooperation is there to stay. Though it is impeded by the outstanding status issues as well as various domestic to do with the limited will or capacity for institutional and policy reform, the past ten years have seen a steady trend towards greater institutionalization of intergovernmental contacts and deeper interlinkage between markets and societies. Taken together such ‘top-down’ and ‘bottom-up’ dimensions constitute the complex phenomenon of regionalism. At the same time, regional cooperation, especially in functional policy-areas, is no silver bullet capable of resolving political problems in former Yugoslavia on its own. For all the talk of ‘regional ownership’, Balkan regionalism remains a piece of the larger puzzle concerning the transformative power projected by the EU towards its multiple peripheries.

NOTES

1. Tim Judah, *Yugoslavia is Dead. Long Live the Yugosphere*. LSEE Research Paper, European Institute, London School of Economics, November 2009.
2. The article draws on Dimitar Bechev, *Constructing South East Europe: the Politics of Balkan Regional Cooperation*, Basingstoke, Palgrave Macmillan, forthcoming in 2011.
3. Amitav Acharya and Alistair Iain Johnston (eds.), *Crafting Cooperation. Regional International Institutions in Comparative Perspective*, Cambridge, Cambridge University Press, 2007; Andrew Hurrell and Louise Fawcett (eds.), *Regionalism in*

- World Politics*, Oxford, Oxford University Press, 1995.
4. Cf. Dimitar Bechev, “Carrots, Sticks and Norms: the EU and Regional Cooperation in Southeast Europe”, *Journal of Southern Europe and the Balkans*, Vol. 8, No. 1, pp. 27-43.
 5. EU-Western Balkan Summit, *Final Declaration*, Zagreb, 24 November 2000, Point 3.
 6. Workgroup on Trade Liberalization and Facilitation, *Ministerial Statement*, Rome, 13 November 2003.
 7. Milica Delević, “Regional Cooperation in the Western Balkans”, *Chaillot Papers*, No. 107, Paris, EU Institute for Security Studies, 2007, p. 62.
 8. European Commission, *2009 Progress Report for Bosnia and Herzegovina*, Brussels, 14.10.2009 SEC (2009) 1338, p. 23.
 9. *Reuters*, 25 September 2009.
 10. European Commission, *Enlargement Strategy and Main Challenges 2009-2010*, Communication to the European Parliament and the Council, COM (2009) 533, Brussels 14 October 2009, p. 6. Officials in Prishtina complained in early 2009 that authorities in Bosnia and Herzegovina had charged duties to imports from Kosovo, in breach of CEFTA 2006 rules. *BalkanInsight.com*, 9 January 2009.
 11. Sanjay Kathuria, *Western Balkan Integration and the EU. Agenda for Trade and Growth*, Washington, D.C., World Bank, 2008, pp. 36-38.
 12. *Ibid.*, p. 25.
 13. *Ibid.*, p. 77.
 14. Trade data obtained from Eurostat, <http://epp.eurostat.ec.europa.eu>
 15. *BalkanInsight.com*, 16 November 2006.
 16. Oxford Analytica, “States Vie for Pipeline to Bypass Bosphorus”, *Oxford Analytica Daily Brief*, 20 July 2000.
 17. *BalkanInsight.com*, 25 March 2010.
 18. UCTE was formerly known as UCPTE as it dealt not only with electricity transmission but also with production.
 19. Before the 1990s, former Yugoslavia was integrated in the southern branch of UCTE, known as SUDEL. Bulgaria and Romania participated in the United Power Systems (UPS) within COMECOM. Romania left UPS in 1994.
 20. Stephan Renner, “The Energy Community of Southeast Europe: A Neo-Functional Project of Regional Integration”, *European Integration online Papers (EIoP)*, Vol. 13, February 2009, p. 9.
 21. Replaced by Directive 2003/54/EC (the Second Electricity Directive).

22. Energy Ministers of South East Europe, *Memorandum of Understanding on the Regional Energy Market in South East Europe and its Integration into the European Community Internal Energy Market* (Athens Memorandum 2003), 8 December 2003. Available at: <http://www.stabilitypact.org/energy/031208-mou.pdf>
23. CEFTA 2006 secretariat is now co-funded by the Commission and the participating states contributing 30 per cent of the cost in 2009/10 and 50 per cent in 2010/11. Decision of the Joint Committee of CEFTA No. 2/2008, 8 October 2008. Available at: <http://www.cefta2006.com>
24. Ibid. The Regulatory Board makes recommendations to the ministerial council regarding disputes but is generally envisioned as a counterweight to the intergovernmental arm of the Energy Community.
25. More about the Energy Community at: <http://www.energy-community.org>
26. *Enlargement Strategy and Main Challenges 2009-2010*.
27. Moldova and Ukraine completed technical negotiations for joining the Treaty in 2009. Moldova formally joined on 17 March 2010.
28. Stability Pact for South East Europe, *Agenda for Stability*, Thessaloniki, 8 June 2000, point 21.
29. The SP even set up a taskforce on human trafficking together with the OSCE (September 2000). SP participants signed a special declaration in support. Amongst the actors involved in the taskforce were the OSCE Commissioner for Human Rights, the International Organization on Migration, UNICEF, the Council of Europe, the International Catholic Migration Committee etc. The taskforce's activities partly overlapped with those of the Regional Centre for the Fight against Illegal Trafficking, set up by Albania, Italy, Greece and Italy in the town of Vlorë.
30. Issues include trafficking in human beings, stolen vehicles, small arms, radioactive and dangerous substances, drugs, as well as commercial frauds, financial and cyber crimes, terrorism, and valuation frauds. SEEPAG was launched in November-December 2003 by the SEECP members and Slovenia. Further details at: <http://www.seepag.info>
31. In 2001 alone, the centre reported 3112 exchanges of information. Marko Hajdinjak, *Smuggling in Southeast Europe. The Yugoslav Wars and the Development of Regional Criminal Networks in the Balkans*, Sofia, Centre for the Study of Democracy, 2000, p. 65.
32. Mihai-Răzvan Ungureanu quoted in Sappho Xenakis, "Organised Crime in the Balkans: Pitfalls in Threat Assessment", in Aleksandar Fatić (ed.), *Security in Southeastern Europe*, Belgrade: Management Centre, 2004, p. 211.
33. Florina Cristiana Matei, "Combatting Terrorism and Organized Crime in South Eastern Europe", Research Paper 133, Research Institute for European and

- American Studies (RIEAS), Athens, July 2009, p. 13.
34. For the distinction, see European Stability Initiative and East-West Institute, *Democracy, Security and the Future of the Stability Pact*, Berlin, April 2001, p. 28.
 35. Further at: <http://www.respaweb.eu>
 36. Even SPAI's multilateral activities overlapped with those of the Group of States against Corruption (GRECO) within the Council of Europe. ESI and East-West Institute, *Democracy, Security, op.cit.*, p. 15.
 37. See: <http://www.rai-see.org>
 38. *RFE/RL, Crime, Corruption and Terrorism Watch Bulletin*, Vol. 1, No. 7, 13 December 2001.
 39. *Tanjug*, 3 March 2003.
 40. The other leading project of the Centre is the Common Threat Assessment on Organized Crime for the South East European Region (OCTA-SEE) originally proposed by the Slovenian Presidency of the EU Council in October 2007. Starting from 2001, Slovenia has been hosting meetings on organized crime and terrorism attended by government representatives of the Western Balkans, Bulgaria, Romania, Greece, Turkey, Austria, Hungary (the so-called Brdo Process).
 41. European Commission, *Western Balkans: Enhancing the European Perspective*, Communication to the European Parliament and the Council, COM (2008) 127, 5 March 2008, p. 13.
 42. *Balkan Times*, 5 February 2002.
 43. A Police Cooperation Convention for South Eastern Europe was signed in Vienna in May 2006
 44. Gabriela Konevska, Director of the SECI Centre and Head of the SPOC Secretariat, Europe by Satellite TV, 21 November 2003. Transcript available at: www.seectv-exchanges.com.
 45. *BBC News*, 3 February 2010.
 46. *EUObserver*, 4 February 2010.
 47. Delević, "Regional Cooperation in the Western Balkans", *op.cit.*, p. 74.
 48. *Javno.hr*, 10 February 2010.