

Croatia on the Path towards the EU: Conditionality and Challenge of Negotiations

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As the first candidate for the EU membership from the Stabilisation and Association Process (SAP) and a forerunner from the region for the EU integration, Croatia is expected to demonstrate its ability to fulfil the remaining criteria for starting the negotiations. Appropriate respond requires additional immediate and future efforts, not only because the date for the start of negotiations has still not been defined, but because of the country's own development. However, the assessment of Croatia's readiness to integrate into the EU will depend to greatest extent on success of internal reforms, ability and quality of implementation, but the external framework might significantly help the country to pass this exam more successfully.

Key words: Croatia, EU enlargement

1. Introduction

The factor of political readiness of the EU to integrate additional new members should not be neglected. The fifth, eastern enlargement did not produce major negative effect which is a good signal for the continuation of the process, although a replication of the previous "success story" could not be guaranteed. The dynamism and new views of the ten new member states enriched the Union, but the old "mental map" still exists. On the other hand, before the potential accession of Croatia takes place, another enlargement will happen in 2007. It seems that with the signing of the Accession Treaty with Bulgaria and Romania the *integration fatigue* was overcome to a certain extent. Therefore Croatia needs to use the best of *institutional memory* of the new member states and combine it with its own potentials in order to speed up the process and achieve the internal readiness for the integration.

2. Towards negotiations and the EU membership

Reaching the level of internal readiness by the end of 2007 and full membership in 2009, is a target date of the Croatian Government for the EU integration in Croatia¹. The country made progress in preparations for integration since 2000 and the status of the candidate for the EU membership, achieved in 2004, gave Croatia the attribute of the forerunner among the countries of the Stabilisation and Association Process (SAP). According to the economic development and the overall achieved level of preparations for the EU integration, Croatia is high above the average of the SAP countries. However, there are a number of other steps to be undertaken on the path towards the EU, together with the fulfilment of the last remaining political criteria being in the first place.

Integration into the EU is a priority in the Government programme². Croatian Government estimates that it might need less time for negotiations than the former candidates, having in mind the

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achieved level of preparations combined with possibility of using the already existing knowledge, experience and the *institutional memory* of the previous enlargement.

In brief, Croatia's progress towards the European Union is grounded within the Stabilisation and Association Process and the SAP instruments made basis for integration preparation. The Stabilisation and Association Agreement (SAA) between Croatia and the EU and its member states was signed in October 2001, while the process of ratification in member states was concluded in September 2004. The SAA entered into force on 1 February 2005, together with the Protocol 7 on enlargement³. Before it, trade and transport provisions of the SAA have been applied as of 1 January 2002, through the Interim Agreement on trade and related issues, and came officially into force on 1 March 2002.

After Croatia's application for membership in the EU (February 2003), the Council called upon the European Commission on 14 April 2003 to submit an opinion (*avis*) on Croatia's application. The answers on the questionnaire were submitted in October 2003 while the *avis* was finalised in April 2004. The main findings of the *avis*⁴ underlined that Croatia was a functioning democracy with stable institutions guaranteeing the rule of law; functioning market economy which should be able to cope with competitive pressure within the Union in the medium term, with a precondition that continues implementing reforms. It was also noted that Croatia should be in the position to take the other obligations of the membership in the medium term, if considerable efforts are made to align its legislation with the *acquis* and ensure the implementation and enforcement.

The Opinion was accompanied by the European Partnership for Croatia⁵ which identified the short and medium term priorities during the preparation for accession. In June 2004, the European Council confirmed the status of Croatia as a candidate country for membership and brought a decision on opening negotiations on full membership.

The Pre-accession strategy for Croatia (October 2004) together with the proposed negotiation framework opened the door for the access to the pre-accession funds in 2005. The European Council in December 2004 decided to start the accession talks on March 17, 2005, conditioned by full cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY). However, the consensus of the 25 EU member states on evaluating the cooperation of Croatia and the ICTY was not reached and the final decision to start negotiations was not made.

The new starting date for negotiations has not been defined yet⁶. It is highly conditioned with the

full co-operation with the ICTY and handing over the General Gotovina to the Hague Tribunal. The ad-hoc Task Force was established on 23 March to examine the progress of Croatia's cooperation with the ICTY. The next step would be the implementation of the Action Plan, defined in six points by the Croatian Government in order to make progress regarding the fulfilment of this particular condition. Understood in wider context, it is a question of real confirmation of the credibility of practical implementation of the pro-European policy in Croatia.

Postponed negotiations contributed to the already existing rise of Euro-pessimism in Croatia. After the period of strong public support for the process in Croatia in early 2000 (most of the public opinion surveys carried out since 2000 on a six month basis showed that around 70% of the population⁷ have positive attitude towards the integration), recent surveys indicated significant decrease in public opinion support. Namely, in 2004 the support for the EU fell to 51% of the population while 39% of citizens were opposed. This means that communicating the EU integration issues to wider public is extremely important and very sensitive question at the moment. On the other hand, there is a paradox that the public support in the EU for the next Southeast European enlargement is growing, particularly within the new member states⁸. It is a sign that the EU citizens have the impression that the last enlargement was a success and that there were no major problems in integrating 10 new member states in May 2004. Therefore communication with public is one of the most important issues to be dealt with in Croatia at the moment. It is necessary to provide well developed communication strategy focused on different target groups; information campaigns, strengthened education activities, particularly those focused on media.

The start of negotiations is important not only for Croatia, but also for the other countries of the region, which means high responsibility in responding to the conditionality issues. The start of negotiations will be confirmation of the progress achieved in meeting the goals set by the SAA, defined in Copenhagen criteria and arising from the Stabilisation and Association Process, but the key for it remains on the side of Croatia. It should enable the country to continue more effectively the internal reforms, supported by the EU pre-accession programmes. On the other hand, since progress in the EU integration is convincing motive for changes and the strongest cohesion factor in the SEE countries, Croatia's negotiations have enormous importance for the region - it could motivate the other countries to follow the example and build stable democratic structures, capable for meeting the European Union membership criteria.

3. Political criteria as a test of credibility in implementing the European policy

The opening of negotiations is highly conditioned, not only by the need of providing clear results of full cooperation with the ICTY confirming the respect of legal obligations, but also by the need to demonstrate the rule of law as a basic principle of relationship in Croatian society, the full respect of international agreements and thus confirm the credibility of the European policy of the Government.

The main priorities for Croatia were set by the Copenhagen European Council of 1993 and the Stabilisation and Association Process⁹. It is evident that the process of enlargement developed the criteria for the EU accession which has some specific requirements for the SAP countries, particularly when it comes to political issues. Apart from the basic precondition of democracy and rule of law (including strengthening of the judicial system, improving the fight against corruption and improving the functioning of the public administration together with freedom of media), Croatia and the other SAP countries must fulfil some other preconditions that were not envisaged for the former candidates, for the simple reason that the need for overcoming such problems simply did not exist in the case of other candidates. This is the case with cooperation with the respect for minority rights, return of refugees and regional co-operation, particularly the full co-operation with the ICTY. Co-operation with the ICTY is the most important precondition, but the other conditionality issues should not be neglected, although Croatia has made significant progress in the previous years.

Thus the international community mostly for security reasons looks at joining of the SAP countries to the EU through a double magnifying glass. Croatia is expected to be the frontrunner of the entire region on its European road, but also the success in the acceptance of the European criteria and standards, as the criteria and standards of a liberal democracy model. Monitoring its development, the EU concluded that despite some deficiencies in the development of some aspects of the system of liberal democracy, Croatia has deserved to be trusted with such a role in the process of the stabilization of the entire area and that it would be able to play that role much more efficiently as a full-fledged EU member than if it stayed outside. Besides economic and political aspects, the geostrategic aspect was also assessed in this matter, concerning the fact that with the entrance of Croatia, the whole EU comes to a very uncertain, relatively long non-transparent border with Bosnia-Herzegovina, and Serbia and

Montenegro, which could have negative impact on its overall stability. Therefore, there were also ideas that Croatia should be left in the position of a security buffer state against non-transparent and uncertain area to the east of its borders. However, when the security of this area started to be considered in the light of wider global threats such as terrorism, weapons of mass destruction, drug and people trafficking, etc., it became clear that it would be unrealistic to expect from a small country to be able to deal with a combination of autochthonous local and global aspects of security all alone and without institutional support of a wider circle of countries such as full-fledged EU members. All the more so because Croatia still feels the consequences of two simultaneous shocking processes it has faced since the beginning of the 1990s, those being defence from an armed aggression and the transition process. Such processes to a large extent relativise many civilization values and some time is needed for the life to regain normal civilization balance.

Relativization of civilization values is actually characteristic to a varying extent for the entire area of South Eastern Europe and is a consequence of dissolution of a state, which is a frequent case in history. In the light of new challenges brought about by the current processes in international relations, such areas become even more sensitive and a very attractive medium for different transactions of various illegal businesses especially if they are performed within the framework of new unconventional threats. Unreliable and still organizationally and professionally weak democratic institutions of these states along with insufficiently efficient and reliable repressive services are not appropriate guarantee for control of the permeability of different criminal "routes" that pass through these very sensitive areas. This particularly refers also to the administration of justice in all of these states including Croatia. Still, in spite of all those weaknesses, Croatia has nevertheless made the greatest progress in building of necessary democratic thus also security institutions, and the EU assesses that with its assistance, i.e., through a full-fledged membership in the Union, this country could become factor of stability and security in the region.

However, that "privileged" position also has its demanding implications. Namely, Croatia should more clearly, more sincerely, with more credibility than other countries in the region prove that it is able to play such a role, i.e., that it is able to accept the standards and criteria of the EU in that segment as well. The subject under discussion is democratic control of armed forces and security sector. Only democratically controlled armed forces and security sector could be the guarantee of the efficiency of

repressive structures in particular country in the struggle against unconventional threats. These forces must not on any account rise above the society, i.e., above democratically elected representatives of power. Taking the broad picture, not only that democratic authority must control repressive structures but it must make it possible for the civil society as well, i.e., for media, academic and scientific institutions, various nongovernmental organizations, etc. The emphasis is on the democratically elected legislative power, but other parts of society have also something to say about those relations with the aim to build such a network of control institutions that would be a lasting obstacle to any attempt to put those services outside the democratic space. Thus repressive structures cannot be a support to holding on power of any ruling set. On the contrary, they should serve wider state interests instead of particular interests of a party which is in power in certain period. The subject is depolitization or, as some say, departisation of those structures, which is the simultaneous compatible standard of both Euro-Atlantic structures, the EU and NATO.

All this should be kept in mind when the requests of the EU are commented that Croatia should fully cooperate with the International Tribunal in The Hague before the beginning of the negotiations, which is the euphemism for the extradition of the fugitive retired general to that institution. If there is any hint of doubt that some parts of security or intelligence services, and perhaps even some parts of armed forces, have been involved in the escape of the retired general, it is implied that democratically elected government, either current or former, does not control these services. It means that it is not able to adjust to that standard of the EU, i.e., one of the essential standards of the model of liberal democracy. When all this is related to the strategic goal that precisely such a country should be a factor of security and stability as well as a democratic example to the others in the region in which the building of the security structure is a priority task, then the entire case ceases to be the case of one man, it becomes important element of regional and global security.

The reason why the respect of that standard is insisted upon in the case of Croatia is the consequence of the fact that it is just on the threshold of the full-fledged membership while other countries of the region are still far from it. If for example the state community of Serbia and Montenegro were in that stage of joining, the pressure would concentrate on the extradition of Radovan Karadžić and Ratko Mladić. However, since that country is far from entrance in any stage of joining the Euro-Atlantic struc-

tures, the international community is of the opinion that at the moment the time should not be spent on that country. Still, both from democratic and security viewpoint, Croatia is quite another thing, and that is why all those elements are carefully dissected that can help in testing the strategic option according to which this country can develop into the "producer" of a security system instead of its "consumer" and "user".

The importance of regional cooperation can be considered as a practical mean for promoting reconciliation among the people in the region. The very important segment of the regional cooperation is the economic one, but there is also the problem of the cooperation in combating organized crime and corruption and the problem in other segments of justice and home affairs. Results achieved in this kind of cooperation would have a positive effect on other issues of political criteria such as, for instance, return of refugees and minority rights.

Apart from that, some other political criteria are crucial, as for instance, the improvement of functioning of public administration, strengthening the judicial system, enhancing the freedom of expression including the democratic functioning of the media. Croatia has, however, achieved relevant progress in implementing those criteria, so the main problem that still remains is the cooperation with the ICTY.

Through different bilateral and multilateral mechanisms Croatia contributes to the stability and co-operation in South-Eastern Europe by assuming the role of a political and economic model in the region. Within the Stability Pact the Memorandum for Free Trade Liberalisation and Facilitation was signed with the countries of SEE and wider region (2002)¹⁰. Croatia joined the Memorandum of Understanding on Energy Market and thus contributed to the strengthening of regional energy market (2003). In 2005 the agreement on Energy Community between EU and SEE countries was initialled and is planned to be signed by the end of the year.

Finally, it is necessary to stress that the fulfilment of compliance with the political criteria will be monitored in later stages of integration with the EU, as well. As announced in the Pre-Accession Strategy, the accession negotiations may be suspended in the case of serious and persistent breach of the principles of liberty, democracy, respect of human rights and freedoms, and the rule of law. Although the mentioned suspension clause was not explicitly underlined in pre-accession documents of former candidates, it could be understood as the outcome of the experiences of the previous enlargement¹¹.

4. Progress in SAA implementation

Apart from political questions and regional cooperation, the first stage of SAA implementation was focused on technical harmonisation of legal acts¹². Development of capacities for the implementation and institution building are the key issues at the moment. This means that it is crucial for Croatia at this phase to move from technical adoption of legal acts to real implementation and development of policies.

Namely, Croatia has started approximation of legislation to that of the Community from the day of signing the SAA (October 2001). In the first stage approximation was focused on fundamental elements of the internal market as well as on other trade-related areas and was gradually extended to other parts of the *acquis communautaire*. However, the screening process will show to which extent this initial adjustment was successful and where the remaining potential gaps are.

Having in mind the economic criteria, Croatia should sustain prudent, stability oriented macro-economic policies, accelerate enterprise restructuring and privatisation, and reduce barriers to market entry and exit, accelerate land reform, and continue structural reforms in public finance¹³. This should be accompanied by the progress in raising the ability to assume obligations for membership in all particular areas of internal market and in sectoral policies.

Croatian economy has achieved a considerable degree of macroeconomic stability with low inflation¹⁴. Major macroeconomic indicators place Croatia far at the helm of the SAP countries, but also in mid-range of the new member states. Croatia is a small economy with a population of 4.4 million and with the GDP per capita of 6,220 euro¹⁵, which amounts to around 29% of the EU average. As a comparison, the average level of GDP p/c in other SAP countries was less than 2,000 euro (in 2003)¹⁶ while Bulgaria and Romania reached the level of around 2,300 euro¹⁷. The areas in which Croatia is facing difficulties are high budget deficit and increasing public debt. At the same time, it is extremely important to translate the existing macroeconomic stability into sustainable development of the real economy sector, by accentuating especially faster progress in structural reforms, privatisation and restructuring.

The Pre-accession Economic Programme (PEP), that was prepared in October 2004 by the Croatian Government, made the ground for economic reforms to be undertaken within the period 2005-2007. It was the answer to the reform agenda devel-

oped within the European Partnership, focused on the most important economic issues, including macroeconomic development, public finances, structural reforms and other areas. According to it, the expected macroeconomic indicators for the 2007 areas follows: the GDP real growth is expected to rise to 4.6% (3.9% in 2004), while inflation should be kept at the same level as in 2004 (2.2%). The unemployment rate should be reduced from 14.9% in 2004 to 12.1% in 2007, according to ILO. The budget deficit is expected to be reduced from the 4.5% of GDP in 2004 to 2.9% while public debt should be 51.0% (52.8% in 2004)¹⁸.

However, the estimation of the European Commission regarding the budget deficit is somewhat different, due to the fact that the revenues in 2004 were lower than expected. The forecast assumes the reduction of the deficit to 4.4% in 2005 and 3.9 in 2006¹⁹.

Croatia's economy is relatively good, although not enough integrated with the EU. However, market mechanisms still need significant improvements. The SAA set up a timetable for trade liberalisation of goods and services. As its consequence and due to bilateral agreements, Croatia has free trade agreements with more than thirty countries. However, Croatia still has low level of exports p/c, amounting approximately 1,400 US\$ in 2003 (with the exports to the EU amounting 52.7% in the total exports²⁰). For comparison, the export p/c in Slovenia is over US\$ 6000, Czech Republic 4000 US\$, Hungary 3000 US\$. Among others, the reason for it is low competitiveness of the country. Increasing competitiveness of the Croatian industry and trade on the international market is needed. Trade liberalisation measures need to be accompanied by efficient structural reforms, and fiscal policy measures. Furthermore, the expected participation in pan-European diagonal cumulation of rules of origin will be extremely important not only for Croatia, but for the SAP region as well.

Increased investment is one of the most significant advantages of the EU accession and will have crucial role in the future development of the Croatia and the region, as an impetus for the economic recovery, speeding up economic growth and reducing poverty²¹. Croatia's progress towards the EU integration contributed to increased foreign investors' interest. Croatia has largest share of 50% in the FDI inflow into the SAP region, with the annual average share of FDI to the GDP of 5.6% (1997-2003), although the main type of capital inflow is still mostly linked with privatisation and does not represent *greenfield* investment. However, the overall inflow to the region is low (the average of 80 euro p/c as compared to 230 p/c euro that was recorded in the

former candidates from Central and Eastern Europe in the period 1997-2002)²². In recent years, Croatia has become one of the investors in the SAP region (e.g. the country is a top investor in Bosnia and Herzegovina, and Croatian firms are expanding to Serbia & Montenegro market²³).

Regarding the technical assistance, Croatia has benefited from the CARDS programme during the past years. The annual contribution from the CARDS programme is around 60 million euro, allocated to the economic and social development, democratic stabilisation, justice and home affairs and administrative capacity building²⁴. Apart from the national CARDS component, Croatia is beneficiary of the CARDS Regional Programme through which joint projects are implemented together with other countries of the region.

The pre-accession strategy opened the door for the access to the PHARE, ISPA²⁵ and SAPARD²⁶ programmes in 2005 which will be available for Croatia until 2007. Namely, the new Financial Perspectives 2007-2013 envisage the new Pre-Accession Instrument (IPA) for the candidates (Turkey, Croatia) and potential candidates (remaining countries of the Western Balkans). As it is announced, the IPA should supersede the existing instruments (PHARE, ISPA, SAPARD), simplifying the management programmes for accession countries.

However, Croatia needs to develop institutions and strengthen its capacities to absorb the expected additional support from the EU funds. Preparations are underway for the effective use of EU technical assistance as well as for the effective implementation of projects within the Phare, ISPA and SAPARD programmes.

5. Concluding remarks

Credibility in implementing the European standards, particularly regarding the political criteria is the key precondition for Croatia to start negotiations. Such conditionality is an issue that will be on the agenda not only during the preparations and the course of negotiations, but possibly even after the closing of negotiations, as it is the case with Bulgaria and Romania.

The speed of integration will depend on efficiency in the implementation of the reforms and acceptance of the European standards in practice, having in mind the country's own achievements and progress. Finally, the factor of political willingness of the EU to integrate additional new members should not be neglected.

Therefore efficiency in the implementation and continuation of reforms will be most relevant

factor for the success of Croatia, having in mind very tight schedule for achieving the target date 2007/09. The stage of achieved implementation of the SAA, progress in adopting the principles of the *acquis*, together with the overall macroeconomic picture of the country and the stage of reforms (economic, judicial and administrative) make a good starting point for fulfilling the remaining Copenhagen criteria, only in case that the country continues to implement its reform programme in the same speed, in order to remove remaining weaknesses. However, there remains a lot of work to be done.

Croatia needs to make steps towards defining and implementing the *member-state building strategy*²⁷. The experience of the last round of enlargement showed that at the heart of the member-state building strategy is the need to move on quickly from the formal adoption of legislation to the development of the capacity to implement it²⁸. The development of the *policy (coordination) capacity* will be crucial in the coming period. During the accession process it is necessary to make preconditions for overcoming the *implementation gap* that is a problem even in some new member states.

This also implies the continuation of institution building process, with creation of new institutions and the strengthening of the existing, supported by the "screening" mechanism; development of national strategic documents necessary for the absorption of pre-accession programmes.

Furthermore, coordinated work on continuation of accelerated implementation of the SAA obligations together with structural reforms (particularly in judiciary, privatisation, fiscal consolidation, social services, pension and health reform and in some other areas), are preconditions for the success of joining the EU in the next wave of enlargement, after Bulgaria and Romania. Continuation of reforms in judiciary and public administration is crucial for the success of integration into the EU.

Increased investment is considered to be one of the most significant advantages of the EU accession, but the strongest inflows and effects were experienced before the membership. Therefore the strategy for integration must be linked with the strategy for attracting the foreign direct investment, aiming to channel the FDI inflow into new production, industry and infrastructure particularly through *greenfield* investment.

Special attention needs to be paid to human resources management - the well trained staff should be kept in the process of negotiations from the beginning to the end. Institutional capacity building is one of the crucial issues for the overall success of

the process. It is extremely important to keep the process transparent during negotiations, without too

high expectations, and to introduce experts to take part in it.

NOTES

- 1 The target date for membership in 2009, before the elections for the European Parliament take place, was announced by the Prime Minister Ivo Sanader at the Crans Montana Forum in Zagreb, 13 – 15 April 2005.
- 2 Working Programme of the Government of the Republic of Croatia 2004-2007, December 23, 2003.
- 3 The Protocol 7 extended the concessions that were given to the new candidates bilaterally on the EU 25 and thus the SAA became applicable to the enlarged EU.
- 4 Communication from the Commission. Opinion on Croatia's application for membership of the European Union. COM (2004) 257 final. Brussels, 20 April 2004.
- 5 Council Decision on the principles and conditions in the European Partnership with Croatia. COM (2004) 275 final.
- 6 The paper was finalized in May 2005.
- 7 Since 2000, the Ministry for European Integration has carried out regular public opinion surveys to examine the level of support, expectations and knowledge on the EU integration issues. Nine public opinion surveys have been carried out. The last one was presented in August 2004. www.mei.hr.
- 8 The results of the Eurobarometer 62 survey (December, 2004) show that more than a half of the people interviewed (autumn 2004) were in favour of the proposed further enlargement in the coming years (53%). This was a significant increase, as compared to 37% of the citizens in the EU 15 that had positive response before enlargement (spring 2004).
- 9 Notably, the conditions defined by the Council in its Conclusions of 29 April 1997 and 21-22 June 1999, the content of the final declaration of the Zagreb Summit of 24 November 2000 and the Thessaloniki agenda.
- 10 Memorandum was signed with all the SAP countries, Bulgaria, Romania and Moldova.
- 11 It nowadays applies to Bulgaria and Romania, in the period after the countries signed the Accession Treaty.
- 12 The National Programme for Integration of the Republic of Croatia into the EU (NPPIEU) has been adopted, as the main co-ordinating instrument, focusing on all three Copenhagen criteria, with particular emphasis on legal harmonisation. The first National Programme was adopted for the year 2003 and was accompanied by similar documents for 2004 and 2005.
- 13 These priorities are envisaged for the short-term period by the European Partnership with Croatia.
- 14 The European Commission Opinion on Croatia.
- 15 National Bank of Croatia, April 2005.
- 16 The Balkans in Europe's future, International Commission for the Balkans, 2005.
- 17 Ibidem.
- 18 Government of the RC. Pre-accession Programme 2005-2007. Zagreb, October 14th, 2004. pp 10.
- 19 European Economy. 2005., European Commission; DG Economic and Financial Affairs. Economic Forecasts. Spring 2005. pp 100.
- 20 Croatian National Bank, September 2004.
- 21 Recent years showed an increase in foreign interest for the SEE region: in the period between 1989 and 2003, cumulative net FDI to the region was about 32 billion US\$, which is far below the level of FDI (125 billion US\$) directed to CEE and the Baltics in the same period. FDI inflows have been relatively stable between 1998-2002 (around 3.5-4 billion US\$), while 2003 showed significant increase to more than 6 billion US\$. Source: Spotlight on South-eastern Europe. An overview of private sector activity and investment. EBRD, April 2004.
- 22 The Western Balkans in transition, pp 5.
- 23 The example is the recent purchase of Frikom, the largest ice-cream and frozen food manufacturer in Serbia and Montenegro, by Agrokor, Croatia.
- 24 Since its introduction in 2000, within the national component of the CARDS programme in Croatia 113 projects have been identified with total budget of 155 mil euro (29 of them being in preparation).
- 25 ISPA - Instrument for Structural Policies for Pre-Accession
- 26 SAPARD - Special Accession Programme for Agriculture and Rural Development
- 27 The need for developing such strategy has been identified by the International Commission on the Balkans, and it focused on three pillars: developing functioning state administration; creating common economic space in the region and constituency building.
- 28 International Commission on the Balkans. The Balkans in Europe's Future. pp 30.

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