

The EU, the SECI and Croatia

Janko Vranyczany-Dobrinović

An outline of Croatia's foreign policy strategy regarding relations with the European Union

One of the most controversial issues preoccupying the Croatian public opinion since autumn 1996, and likely to continue doing so in the future, is the report on the regional approach to a group of Southeast European countries, covering the Republic of Croatia, Bosnia and Herzegovina, the Federal Republic of Yugoslavia, Macedonia and Albania, prepared by the Foreign Relations Commission of the General Directorate Ia of the European Commission and adopted by the Council of Ministers at the meeting of the Ministerial Council, in Luxembourg, 28 October, 1996.

The consensual integration of a number of sovereign state entities, sometimes as a result of pressure, which was formerly motivated by dynastic, defence or economic considerations and more recently to prevent war or conflict between them, is being replaced by association and the creation of larger market, customs, trade and investment zones.

Almost the entire Croatian history, which may be viewed as tragic or as the art of survival of a small and threatened people, is filled with various kinds of association, accompanied by a more or less voluntary forfeiture of sovereignty: from the *Pacta conventa*¹, the Convention of Tsetin², the Pragmatic Sanction³, the National Council⁴, and up to the meeting of ZAVNOH⁵ and the present day, on the eve of the process of integration with the European Union.

In order to keep alive what was left of the devastated and decimated Kingdom of Croatia, and perhaps to reclaim one day the lost lands, lacking adequate troops and money, a large part of the Croatian nobility, probably reluctantly, joined their Hungarian peers in a primarily defensive alliance with the southern and south-eastern duchies of the German Roman Empire, ruled by the

Austrian branch of the House of Hapsburg, with the logistic centre for Croatia at Graz. This fateful decision resulted in much grief, the fragmentation of the Kingdom, the creation of the military zone at Karlovac commanded by Austrian and German generals and of the Kraina borderland, settled by Orthodox peoples from the Balkans, and the loss of Dalmatia. After the defeat of the Ottoman Empire, what was for the Croats a mainly defensive union, gradually turned into a state structure dominated by the Hungarians and Austro-Germans. The Croats, concerned about the fate of the annexed Dalmatia, Rijeka and Istria, and wishing to achieve equality by creating a larger grouping, began to dream about linkage with what they thought to be "related southern Slavs" in their immediate vicinity.

This linkage, which was to last for 70 years, briefly interrupted by the ephemeral Independent State of Croatia, could have produced even more tragic consequences for Croatia than the Turkish incursions and destruction.

And just now, when the protracted historical process, initiated in 1527, of reclaiming all Croatian lands and uniting them into a sovereign Croatian state is nearing completion, a new political project is being touted on the European political market, a project which, presented in increasingly milder versions, produces apprehension, outrage and disappointment in all people in Croatia, from the government and parliament to the vast majority of the population.

PROJECT OF THE POLITICAL RECONCILIATION

To be true, this project of "reconciliation and economic and communication linkage" of countries east of Slovenia, conceived by the bureaucratic strategists from the European Commission, cannot be compared with the voluntary or forced institutionalised unions of Croatia in the past, but all our recent experiences produce in us not only emotional rejection but also rational caution.

The paradox of this project is that, at the end of the past century and during the first two

decades of this century, it would have been enthusiastically welcomed by the larger part of our political and intellectual circles. The same could be said of the days of the so-called "Croatian spring", whereas today it can only provoke indignation and disillusionment.

Let us try and cast a sober and realistic glance on some facts, even if we don't like them.

The rebellion of the Croatian Serbs, the aggression from Belgrade, the war and our involvement in favour of the Croatian minority and interests in Bosnia and especially in Herzegovina, were driving Croatia farther and farther apart from Slovenia and from the other Višegrad countries. After the Washington and Dayton accords, moreover, Croatia was being driven closer and closer to the Balkans, similarly to the manner in which it was occupied and later annexed by Austro-Hungary after the Berlin Congress, with German support - with the difference that Austro-Hungary was a Central European power.

The virtual balkanisation of Central European Croatia began at the end of 1918, with the entry into Zagreb of the Serb army, with the setting up of the armed forces and the gendarmerie and of local administration over the whole Croatian territory after the Serb model and staffed by Serbs. This balkanisation received added impetus during the forty-five years of the communist regime in Yugoslavia, imbued by a Balkan mentality and accompanied by a mass exodus of the Croat élite, raised on Central European tradition.

If Croatia was submitted to "creeping balkanisation", reinforced by an influx of refugees from Bosnia and Herzegovina at the time of the Independent State of Croatia, after 1945 and during the recent war, as well as by the arrival of larger numbers of Croats from the Dinara region, then we must admit at the same time that Northwest Serbia, in Voivodina, Novi Sad, Zemun and Western Sirmium possesses certain Central European traits which enable it, when necessary, to stress its position as a link with the Danubian region. It would appear that the Federal Republic of Yugoslavia plans to invoke its geopolitical position and predominance in terms of population in order to assume one day a central role in the region between Zagreb and Saloniki.

"The Croatian Central European Serbs", especially after the reintegration of Eastern Slavonia and the return of a portion of the Serbs who fled after Operation Storm, will constitute the most numerous and the most important minority in Croatia, and thereby strengthen the "re-

gional links" with the Federal Republic of Yugoslavia and the Republika Srpska in Bosnia and Herzegovina. This tendency will be reinforced by the economic gravitation of the western part of the Republika Srpska around Bihać towards the Republic of Croatia, as well as by our own interests in the Federation of Bosnia and Herzegovina and in Bosnia and Herzegovina as a whole.

After the Illyrian dreams of a Croato-Serbian coalition, the Yugoslav Committee in exile, the self-suffocation of the Croatian Convention, after accession to the Kingdoms of Karagjorgjević and Petrović-Njegoš, and finally by the creation of Yugoslavia, in the natural course of things, albeit reluctantly, Croatia developed more economic, communication, sports, and even family links with the majority Balkan part of the former Yugoslavia than its public is willing to admit.

Like it or not, also in the future, the Croats will continue to maintain more particular and mutually stimulating relations with the Serbs, Bosnian Moslems and Montenegrins than with, e.g., the Hungarians, Austrians and even the Slovenes.

The world public opinion, the media and the major international factors and decision-makers do not wish to take into consideration the "pre-1918 phase", viewing instead things from the vantage point of the familiar recent past. And this recent past, for most of these international factors, was at first glance a history of four decades of coexistence of all former Yugoslav ethnic groups within a single state structure without any major dispute.

They are more interested in the realities of the current geographic and communication logic of the area between Zagreb and Saloniki, and in the neuralgic spots in Bosnia and Herzegovina, Mostar, Brčko, Sandžak and Kosovo, which are not likely to die out for many years to come, than in our historicist Central European sentimentality, especially since we contributed to the destruction of a functioning Central European commonwealth of peoples, after having been one of the initiators and co-authors of Yugoslavias of all shapes and hues.

They show little interest in historical interpretations, the Kosovo myth and the term "bulwark of Christianity" only produce a semi-polite smile, and the same goes for the complexities of the Croato-Serbian conflict; they have even less understanding of the much more complex problem of Bosnia and Herzegovina, except that it places us beyond the Balkan pale.

The international political and economic factors apply a pragmatic approach in assessing the present situation in terms of potentials for future cooperation, regardless of possible historical or mentality preferences. However, this is not to say that Croatia should give up its efforts to inform the public that this part of the world has long been divided into two antagonistic cultural and political groupings, one oriented to the Euro-Christian and the other to the Byzantine and Ottoman cultural and political heritage. It is on this foundation of tragically opposing mentalities that the conflicts of today have erupted - but this does not mean that present-day Croatia is not inclined towards a gradual reconciliation and linkage of this divided area.

The gradual dissemination and acceptance of democratic values and tolerance among the younger generations, side by side with the uniformity of the way of life typical for the Euro-Atlantic consumer society, and combined with the influence of the Anglo-Saxon entertainment industry, the culture of electronic media, Internet etc., can be expected to intensify the tendency of opening and integration.

After World War II, in the then conflict-free region of the former Yugoslavia, a tough, complex and prolonged conflict was going on, a conflict in which, regardless of who was to blame, regardless of the culprits and the victims, the Serbs were the main factors in all parts of the region, followed by Montenegrins, the Moslem Bosniaks and the Croats. The Albanians were also among these factors, especially those in Kosovo. In the eyes of the international community, the Slovenes are not a factor, and have no place in this vicious circle of conflict.

Europe, highly preoccupied with its own complicated transformation, the creation of a new Maastricht Treaty at the forthcoming summit in Amsterdam, beset by problems with Great Britain, the monetary union, unemployment, social problems, budget deficits, difficulties with the financing of pensions, health services, education, research, agriculture etc., is currently not interested in expansion and in negotiations with individual candidates. Even when it makes declaratory promises, they have a hollow, unconvincing sound. Let them first integrate into larger groupings, on a regional basis; let them first settle relations with their neighbours; let them meet the conditions, and only then, step by step, by easy stages, they might start joining a newly fashioned European Union in its new shiny armour. Europe is in no hurry, and the regional approach, with

the new conditions this imposes, offer excellent excuses for procrastination. Moreover, Europe is no longer willing to admit some "poor relations", as it did with Greece or Portugal, but wants economic peers, who will not constitute an incessant drain on the expensive, jointly financed development funds and subsidies. Actually, it was developed countries like Austria, Sweden, Denmark and Finland who were the last to be welcomed into the extended circle of the Founding Six under the old terms.

THE CONCEPT OF THE REGIONAL ASSOCIATION

The substance of the concept of regional association is, in the view of the Fifteen, to be found in the philosophy underlying the construction of the European Union. This philosophy is based on two ideas:

1) putting a definite end to all wars and achieving a lasting reconciliation of the European nations; the Treaty of Versailles kept up a spirit of vengeance, and nationalisms led to economic protectionism and war;

2) a firm reconciliation is to be attained by a gradual process of integration, starting with economic association and ending one day in voluntary political integration.

For Western Europe, the road from the original six to the present-day sixteen EU members led through several stages of economic integration, from the Coal and Steel Community, the Customs Union, the single market, the Maastricht Treaty and up to the monetary union in 1999. The political and defence unions are only in their initial stages, lagging much behind the economic unification, with the result that the EU still does not constitute a single political and defence world power.

All nations wishing to become members of the European Union have to accept the objectives and frame of reference of this European regional integration, which comprises common institutions and adopts European laws that supersede national legislations but does not preclude the political identity of nations.

No United Nations of Europe are being constructed for the time being, but rather a commonwealth of peoples built on a unique pattern: joint exercise of national sovereignty in an agreed number of areas vital for their common prosperity and influence.

The EU is aware, furthermore, that after the end of the cold war and the collapse of the

communist bloc most countries in Central and Eastern Europe, including the Baltic countries, aspire to join the Union. In 1993, at the time of the war on the territory of the former Yugoslavia and of the barbaric ethnic cleansing that accompanied it, the EU agreed in principle to such major expansion. However, the Union first wishes to complete its own transformation before enlarging its membership, so as not to change its main direction and character and without renouncing its final political goal.

Apart from some statements made by some important individuals, the states which emerged from the collapse of Yugoslavia, with the exception of Slovenia, have been referred to as potential members, but at some undefined time.

To evade the welcoming attitude shown by the EU in 1993 towards the countries of the former Warsaw Treaty, with the "neutral" Slovenia easing itself into that space during the hostilities between Serbia, Montenegro, Bosnia and Herzegovina and Croatia, a new formulation was made up for that area, claiming that regional association was at the basis of the original Euro-philosophy and would henceforward be applied to future admissions to the EU. It is further emphasised that this attitude is not new with regard to economic cooperation, with political links looming in the background, between the countries of the former Yugoslavia.

Jacques Delors attempted in the summer of 1991 to win over the contending and centrifugal republics of the former Yugoslavia by offering them 5 and a half billion US dollars to join the then European Community "en bloc" as a single confederation and within their existing borders. Lord Carrington's plan contained, among other things, conditions of economic cooperation that the republics emerging from the former Yugoslavia would have to meet in return for the recognition of their political independence by the EU and its members. Later on, David Owen and his co-chairmen also nurtured ideas of association for that warring region.

The Dayton Agreement stresses good neighbourly relations, reconciliation and stabilisation of the entire Balkan region as the main goals, stipulating the establishment of economic links at regional level, the protection of minorities and a number of other conditions in return for assistance by the international community.

Since all the republics of the former Yugoslavia have expressed the wish to become members, the EU wants to remain consistent to its cus-

tomary logic of admitting associate and full members, even including the pre-associative period, by progressive stages, especially in the conflictual ex-Yugoslav region. In addition, this procedure is today made even more dependent on over-the-boundary regional cooperation, some kind of beneluxisation, only then to be followed by associate and finally gradually by full membership status.

THE REGIONAL APPROACH

In the case of Croatia, the regional approach possesses yet another particular background and connotation. It is the Dayton accord, the Bosnia-Herzegovina problem, that unresolved Gordian knot in Europe, of which everybody thinks - but does not say aloud - that Dayton does not offer a solid solution.

Ethnic cleansing, 250 thousand dead, one and a half million displaced persons, floods of refugees, scenes that not only CNN but almost all channels directly transmitted to the Euro-Atlantic homes of politicians and consumers have left a deep impression on everybody. This is not so much motivated by sentimental, moral or humane reasons as by the determination to avoid at all costs a repetition of such an outrage in Europe, with the possibility of new floods of refugees, even though smaller than before. Europe does not want to be confronted yet again with discord in its own ranks and with the sad picture, or rather caricature, of its own unreadiness, impotence and failure as in the case of the former Yugoslavia.

After the US finally intervened - for purely domestic reasons - to bring about a hastily patched political settlement that would barely hold water, its implementation was entrusted to the care of the European Union, in whose zone of responsibility the ex-Yugoslav countries belong. In agreement with the American peace-makers, Europe strives to enclose the main agents of the most unfortunate scandal in its recent history within the boundaries of its criteria, thus washing its hands of them and somewhat repairing its loss of face. In other words, these conditions are to serve as a line of demarcation and reconciliation for the new Yugoslavia, Croatia and Bosnia and Herzegovina with its constituent Federation and the Republika Srpska. To repeat, at the core of this regional approach, however, are really Eastern Slavonia, Dayton and the Kosovo problem.

These countries, in the view of the Fifteen, before starting to establish closer relations with the EU, must first prove that they are willing and able to settle their relations with their immediate

neighbours, by efficient association at economic level without any forfeiture of their sovereign rights, and yet with the idea looming in the background of establishing closer administrative and legislative cooperation in the area stretching from Zagreb to Athens, with the ultimate objective of joining the EU. This "regional theme" is further meant to make Croatia more firmly co-responsible for all the post-war developments in the region.

Most areas with a customs union, free exchange of commodities, free movement of workers, and the freedom of choice of residence tend to opt for political association as well. In the last century, the German customs union played an important role in the unification of German kingdoms, princedoms and duchies into a single state. The Benelux countries, on the other hand, were the first in Europe to economically integrate into a larger market and to form a customs union after World War II; but they retained their respective sovereign identities and became full members of the EU as such.

In addition to economic factors, defence and security considerations also play a major role. The regional concept for the Baltic countries, for the Višegrad countries, for the Middle East (Israel, Jordan, Palestine and Lebanon, while Syria and Egypt are too large entities for such a grouping), for the Maghreb countries, for Central America and for some other regions strongly depends on security aspects. In our case, the name given to the region in question is the "Balkan region" (covering the countries of the former Yugoslavia, plus Albania and sometimes Bulgaria, but without Slovenia), with its immediate neighbour, Greece, playing a particular role as member of the EU. At the moment, there does not seem to exist a specific security concept for this region, with timetables for inclusion in NATO similarly to the Višegrad countries except Slovakia.

It is sometimes claimed by the Croatian and international public that this regional approach is the result of the Croatian policy in Bosnia and Herzegovina. The Croatian counter-argument, which is often accepted, is that our support for a "single" or "partitioned" Bosnia and Herzegovina would not have made much difference, because we are doomed in any case to become involved in support of the Bosnian Croats, whatever the political set-up in Bosnia, but especially if it threatens them in any way. Questions are also sometimes heard, often from "well-meaning quarters" at home and abroad, as to why we are so inten-

sively involved in Bosnia and Herzegovina in defence of a small minority without a prosperous economy, major industrial centres, or oil and gas deposits, while the Hungarians reconciled themselves to the loss of much larger minorities in Romania, Slovakia and Voivodina, not to mention the Germans in the Sudetenland, Silesia, Pomerania and Prussia. Even though our diplomats offer well-argued answers, there is the impression that these are not always fully accepted, with the implication that, although Serb aggression is primarily to blame for the radicalisation of the Moslems, Croat behaviour in the conflict in Bosnia and Herzegovina could have also been a contributing factor, while at the same time damaging the Croatian reputation abroad. The periodic deterioration of the situation in Mostar further reinforces the belief of some that Zagreb is not sufficiently supportive of the efforts to settle these disputes.

The objectives of the regional approach, a clear and detailed account of its options and terms, is currently being drafted and prepared for discussion, to be finally adopted a few weeks hence.

Before attempting to describe the strategic guidelines and conditions characteristic of the regional approach, we shall give an outline of the present situation of Croatia.

STEP BY STEP - RELATIONS TOWARDS EU

The European Union regulates its relations with states which express the wish to become members through a multi-phase process of graduated agreements, with several years of intensive negotiation, conditioned by numerous structural adjustments, legislative and sectorial changes, with new freedoms and new constraints. Without going into further details of this process, let it only be remembered that no individual agreement on the adjustments needed for the preferential regime, which constitutes the first stage, has yet been reached between the Republic of Croatia and the European Union, even though this status has been granted to Macedonia and Albania.

Our relations with the EU are regulated on the basis of the Agreement on Trade and Cooperation signed in 1980 between SFRY and EEC and suspended by decision of the Council of Ministers in November 1991. Under the terms of this suspension, at the proposal of the European Commission, the Council of Ministers adopts unilateral decisions at the end of each year on granting preferential status to so-called "cooperative states", Croatia among them. These are annual decisions, and have nothing to do with the ex-

pected signing of the Agreement on Cooperation between the EU and Croatia. The Federal Republic of Yugoslavia has not yet received preferential treatment, although there were some hints late in 1996 that this was planned. However, the decision has been postponed until some future date.

Regulating preferential trade regimes is only one part of this agreement. The granting of an autonomous preferential regime depends on the will of the EU. More specifically, in the case of our country, this involves preferential import from Croatia into the EU of some products which are specifically named and classified. In our case, the result is an unspecified, internationally irregular situation, which could be changed with the signature of a new, direct and more favourable agreement, introducing and consolidating the first stage of relations between the Republic of Croatia and the European Union.

This would not be a particularly important step, but it would have symbolic significance, and the next steps would be admission to the PHARE Programme and the granting to Croatia of the status of associate member on the strength of an Association Agreement. Up to the moment of signing the agreement on association, Croatia is not obliged in principle to adopt reciprocal measures named in the agreement on the preferential trade regime.

We must also bear in mind the fact that the opinion prevails among the Fifteen not only that Bosnia and Herzegovina and FR Yugoslavia are not democratic states, with the rule of law ensured and free market reforms implemented, but that also in the Republic of Croatia, due to the wartime and post-war circumstances and an authoritarian one-party rule with some reminiscences of the recent political past, there is room for the improvement of the uncompleted development of democracy and the free market. This adds to the regional approach a markedly didactic-moralistic note, claiming to be a "guideline to democratic improvement" *en route* to Brussels.

All countries within the South European regional boundaries can become EU members exclusively as "totally open democratic societies". This apparently well-meaning professorial attitude with a dose of arrogance indicates the intention to use the "conditionality" clauses on some countries as a kind of Master of Democracy degree, whereby the EU undertakes their democratic education, followed by an examination, so as to make up for and conceal the EU inefficiency and discord in that region between 1990 and 1995.

DILEMMAS WITHIN EU

The dilemmas and thus the wariness of the EU members, who burnt their fingers on ex-Yugoslavia, and which have a bearing on the regionalisation of the problem, could be summed up as follows:

1. Will Bosnia and Herzegovina become consolidated one day as a state, even as a phantom state?

2. Will the Republika Srpska continue to support the Dayton accords, meeting at least the basic requirements, or is it waiting for a favourable moment to secede?

3. Will not every government in Serbia and the new Yugoslavia (supported by the Orthodox Church) insist on a revision of the Dayton Agreement, leading to a pro-Serbian solution of the Brčko issue and to an intensified return of the Serbs who fled from the former "Kraina" as well as to the restitution of their property?

4. Given these circumstances, how is a settlement to be reached of the Kosovo question as the central issue, with Sandžak and Voivodina as peripheral issues?

5. Will the present or the future Croatian government continue to offer unambiguous support to Dayton, will it maintain Herzeg-Bosnia in some form as a secret weapon or as a stand-by solution, with secession when the time is right?

6. With the return of the displaced Croats to Eastern Slavonia, will the Mostar syndrome be repeated in some places, e.g. in Vukovar?

7. Will the Moslems-Bosniaks give up the idea of creating a Moslem state?

8. Will the problem of Mostar, into whose settlement much money and effort have been invested, be truly and efficiently resolved one day, with concrete help from Zagreb?

It is these crucial issues, the wish for consolidation, stabilisation and economic and communication linkage, that the regional approach endeavours to address. The accent is not on the establishment of a political entity but primarily economic, communication and energy association of individual entities, with the main centres around Zagreb and Belgrade.

The main guidelines observed by the EU Foreign Relations Commission in formulating the negotiating terms with the countries of Southeast Europe are roughly the following:

Even if not quite the same for each country, e.g. for Croatia, the process will be protracted and attended by a series of conditions, especially at later stages.

The philosophy of this process is step-by-step progress, mainly in the four familiar stages (agreement on preferential trade and customs regime, which is non-binding on both sides; admission to PHARE; agreement on association, mutually binding; and finally, agreement on membership, with deep-reaching rules and obligations). All of this is further supplemented between phases by additional adjustments and assessment of results.

The main criteria in assessing the fulfilment of conditions will be the implementation of the democratic principles of human rights, the rule of law, freedom and independence of the media, freedom of assembly, absence of inhumane or degrading practices and of arbitrary arrest, minority protection, market reforms, across-the-border cooperation with neighbouring countries, cooperation with the International War Crimes Tribunal, the possibility for the return of refugees and displaced persons.

For the first phase, EU considers it sufficient to establish the existence of a genuine desire and of signs of progress in the implementation of the above principles, aware that all conditions cannot be met all at once. Thus, it does not want to raise too many obstacles at the outset but to enable a fast start in evolving relations with the EU, conditional upon the development of inter-regional relations.

As regards Bosnia and Herzegovina, the conditions cannot be met by one party alone, and cooperation is required by other parties as well.

In the case of FRY, stress will be laid on cooperation in the implementation of the Dayton Agreement, on the issue of succession, Kosovo, and on some other questions.

For each entity of the former Yugoslavia which is undergoing the first stage of negotiations, i.e. for Croatia, FRY and Bosnia and Herzegovina, "individualised" conditions will be formulated. There is a wish to extend the PHARE Programme to all the countries in the region if it is found that they meet the relevant conditions at least to some degree.

In the next stage of relations (Association Agreement - Europe Agreement), as in the case of the Višegrad countries and Slovenia, the minimum conditions will be gradually raised, according to the evaluation of the fulfilment of the original terms. These conditions are the application of European standards of democracy, market reforms, human and minority rights, and especially the absence of any discriminatory practices towards the minorities and the media, the abolishment

of price controls, cooperation in the implementation of peace treaties, cooperation with the International Tribunal at the Hague, including the extradition of persons indicted for war crimes, and proven results in cooperation with neighbours.

For the Republic of Croatia, this list is expected to be augmented by some individually formulated conditions: proof of the possibility for Serb refugees to return to their original homes if they so wish, absence of any intimidation of such persons, the fulfilment of the obligations under the basic agreement on Eastern Slavonia, the opening of customs control posts on all borders, the exercise of convincing pressure on the Bosnian Croats to dissolve the Herzeg-Bosnian structures, cooperation in establishing a genuinely unified Town Council in Mostar, and cooperation in the establishment and operation of federal institutions.

A closer look at this summary of conditionalities underlying the regional approach in the conduct of negotiations with the countries of the former Yugoslavia, without Slovenia, despite all the justified criticisms and offence to our Central European vanity, reveals an undeniable dose of *realpolitik* logic in the positions of a portion of the international community, which does not mean, however, that we must uncritically accept all these positions.

Furthermore, after so many people killed, wounded, exiled, and after damage that can be measured in billions, any normal collocutor will have understanding for Croatia's aversion and great mistrust at the mention of any regional re-association within a framework from which we recently escaped by superhuman concerted effort rarely matched in history.

Not a single conversation conducted so far, from the middle to the highest EU level, not a single strategy paper, document or statement contains an allusion to some institutionalisation or disguised creation of a confederal or federal pseudo-Yugoslavia.

The EU members are increasingly aware that such a solution, even if certain parties might desire it, would be highly sensitive and could even be counterproductive. The EU has neither the energy nor the technical and financial means to re-establish on the ex-Yugoslav territory an institutionalised grouping of nations, threatening to become a potential hotbed of new conflicts.

If the EU and NATO did not overstrain themselves to stop the aggression against Croatia and Bosnia and Herzegovina, it is even less likely that today, in the new circumstances, they will try

to turn the wheel of history back and attempt to establish an expensive new post-Yugoslav structure. Baker, Delors, Mitterand, Carrington and Owen tried it and failed, and others would have as little success.

However, this is not to say that the regional concept should be taken lightly. In the first place, it provides a framework for the revival of the broad spectrum of Yugo-nostalgic tendencies. This approach to the problem might provide a framework for new formulations of old slogans, with "reconciliation and across-the-border association" as the main aim, and fertile soil for a future multitude of intellectual theories, designs, seminars and meetings, all under the mantle of this EU-formulated and sponsored topic.

THE NEGATIVE ASPECTS OF THE REGIONAL APPROACH

Even though the regional approach does not represent an "international conspiracy" for the creation of a new Yugoslavia, and there are no technical mechanisms or conditions for this at the moment, it nevertheless possesses a number of negative aspects which Croatia cannot afford to ignore.

In its essence, the regional approach, by according equal treatment to all, releases the authors of the idea of Greater Serbia, from guilt for aggression and wanton destruction, reducing the conflict to civil war, without the right to reparations and without a balanced pressure for the division of the inheritance among the successors, even though this is not explicitly stated in the first drafts of the European Commission.

Moreover, the regional approach, although this is strenuously denied by the authors of this philosophy, will provide the possibility to find constantly new excuses for subtle attempts to slow down the process and for the equalisation of all parties, especially in the second stage of negotiations, using the prolongations of admission to associated status as levers of pressure in the pursuit of their objectives.

An additional objection to the regional approach is the fact that a sovereign state, member of UN and the Council of Europe, even though young and a very recent actor on the international scene, is not permitted to choose its own "preferential partners", groupings and clubs. Instead, solutions are being forced upon it, in a paternalistic and ostensibly well-meaning manner, to make it a member of a regional club consisting of politically, economically, and also emotionally, "unpreferred" partners, from whom this country

has only recently managed to separate itself.

This is reflected in discreet hints to hamper Croatian efforts to conclude bilateral preferential economic and customs agreements with CEFTA countries, claiming that we are not entitled to this since we are neither an associated member of the EU nor a WTO member, and that this should be made possible only with EU approval, primarily depending on progress in the East European region.

Great Britain, for all its "positive attitude, in consultation with its Euro-partners", recently tried to thwart the extension of the preferential agreement, threatening that next time, unless we make progress in a number of issues (Eastern Slavonia, the return of Serbs, Mostar, opening of the line of separation, the Hague Tribunal), we have to expect the cancellation of the existing preferential agreement. In this obstructive attitude, purportedly motivated by a strict advocacy of democracy where Croatia is concerned, compared to the more tolerant positions of Austria and Germany, a more balanced attitude of Italy and lately also of France, Great Britain has received the support, which is not without a political background, of the uncompromising champions of human and minority rights in Scandinavia, and sometimes also in the Benelux countries.

Croatia has achieved independence by relying on its own resources. But it would be wrong and unreasonable to believe that it is an island and that it can indefinitely walk alone on the road to reconstruction, development and prosperity. It should be clear to everybody that an isolationist stance does not offer good prospects for the imperatives of our export and production, for communication linkage, foreign investment, growth of GNP, education, research, health service, the needs of our consumers, our pensioners, our unemployed, our disabled, and of our increasingly impatient youth, who are calling for a greater opening up. There is no need to stress that espousal of national autarky, of greater independence from other countries, is counterproductive and should be instantly abandoned, because this is something that even the rich Switzerland can no longer afford, which is why it is already warily knocking at the Brussels door.

All of this clearly indicates that cooperation with the European Union, loved or unloved, is one of the main options of Croatia's foreign policy. This is not to say that for various, mostly domestic, reasons we should stop stressing our disagreement and principled objections against the regional approach in its entirety, as a process that

interest in their ideas and dilemmas, including NATO expansion. All of this would lend additional strength to our role as a link, and "honest broker" in many relations and on many sides relevant to our economic interests and diplomatic role.

The principled insistence on an Euro-Atlantic position also presupposes a principled expression of interest in NATO. A letter in this sense was sent in March 1996, declaring Croatia's interest in joining the Partnership for Peace. Knowing NATO's views regarding our part of the world, shaped by the SFOR-mandate and by the multifaceted, not to say hypocritical, attitude of the US, who wants to take advantage of our "NATO-eagerness" for its own current ends, it is my belief that a temporary low-profile behaviour on that issue would leave Croatia more diplomatic breathing space than is allowed by our all too frequent and not particularly effective pro-NATO declarations.

It would be useful to make a careful appraisal whether for Croatia, a non-member of the former Warsaw Treaty and not threatened by the Russian Federation, NATO membership, apart from the Partnership for Peace, is really a burning issue and whether a more balanced policy, as practised e.g. by Finland, Austria or Slovakia, would not offer a broader manoeuvring ground in our foreign policy.

In conclusion, let me say that I believe that Croatian foreign policy should be conducted in a sober and balanced manner, without exclusive commitment to a unilateral Euro-Atlantic policy with bloc connotations. Instead, while continuously insisting on our Euro-Atlantic option, our

belonging to the Central European and Mediterranean sphere, we could pursue in parallel a policy of - why not - an individualised "light non-alignment", which would give us more space, less pressure, and more freedom in acting as a link, a mediator, a broker, in keeping with the broad range of our possibilities and interests and with our specific geographic position.

Today we cannot, and do not wish, to imitate or continue the foreign policies of the Republic of Dubrovnik⁹, the attempt by Petar Zrinski¹⁰ to practice *realpolitik*, the efforts of members of the Autonomous Party Šokčević and Mažuranić¹¹, or the policies of Supilo, Radić¹², Maček or Josip Broz¹³, for each moment in history has its specific set of circumstances. Nevertheless, these glances into our history indicate that Croatian foreign policy, though fundamentally oriented to the unification of all Croatian lands into a single state, is at the same time traditionally broadly conceived and complex.

The one final basic postulate is that the Republic of Croatia will not consent, within the framework of a regional approach or of any regional association, to the loss of any sovereign or political powers, except, one day, those which other members have also voluntarily ceded in the process of direct integration in the European Union.

In this, we should be guided by our historic realisation, under the leadership of Dr. Franjo Tuđman, with future variants and adjustments demanded by historic developments and dictated by the imperative demands of Croatian sovereign rights and interests. ■

1 Pacta conventa - a treaty concluded in 1102 between 12 Croatian tribes and the Hungarian King Coloman, providing for a personal union, non-payment of taxes and military assistance.

2 Convention of Tsetin - in 1526, at Tsetin, the Croatian Convention elected Archduke Ferdinand of Hapsburg, later the German Emperor, as King of Hungary and Croatia, in return for a certain number of troops for the defence of the Kingdom and for a permanent stand-by contingent to be kept in the Duchy of Carniola, the present-day Slovenia, together with an undertaking to send supplies to the main fortifications.

3 The Pragmatic Sanction - in 1712, the Croatian Convention gave separate and independent approval to the proposal that succession to the Hapsburg crown could go to the female line.

4 The National Council - set up in Zagreb, in March 1918, for the unification of all Slovenes, Croats and Serbs on the territory of the disintegrating Austro-Hungary, to which the Croatian Convention, following its decision to sever all ties with the Austro-Hungarian Monarchy, temporarily trans-

ferred supreme and executive powers; the thousand-years-old Croatian Convention was never convened again.

5 ZAVNOH - the session of the Antifascist Council of the People's Liberation of Croatia, which annulled all treaties between Serbia and Pavelić with Italy and annexed to Croatia all occupied Croatian territories, including Rijeka, Istria and Zadar, within the framework of the community of peoples of Yugoslavia.

6 - Baron Josip Šokčević (1811-1896), Croatian Ban and general;

- Ivan Mažuranić (1814-1890), Croatian poet and Ban;

- Ivan pl. Kukuljević-Sakcinski (1816-1870), historian and politician;

- Baron Ambroz Vranyczany-Dobrinović (1801-1870), first administrator of Croatian autonomous finances, deputy of Croatia in the extended Imperial Council;

- Ljudevit pl. Farkaš Vukotinović (1813-1893), poet, politician, botanist.

These were the leading figures in the Autonomous Party, whose aim was the unification of all Croatian lands within a federal Hapsburg Monarchy, a kind of broad and toler-

ant Croatoslavia, politically, economically and culturally attractive to all Southern Slavs, including those still under Ottoman sovereignty. All of this was to have been sanctioned under a direct arrangement with the Austrian Crown without Hungarian co-tutelage.

7 - Josip Juraj Strossmayer (1815-1905), bishop, patron of the arts, chief donator of the Yugoslav (today Croatian) Academy of Sciences and Arts; advocated federalism within the Monarchy, the strengthening of ecumenism, and closer ties between all, especially the South, Slavs.

8 - Frano Supilo (1870-1917), publicist and politician, member of the Yugoslav Committee formed abroad during World War I; advocated a broadly federalist Yugoslavia.

- Stjepan Radić (1871-1928), leader of the Croatian Peasant Party, the most important political grouping between the two world wars; died of wounds sustained in an assassination attempt in the Belgrade parliament.

9 The foreign policy of Dubrovnik aimed at maintaining good and peaceful relations with all neighbours, and with

more distant protectors of its free trade, such as Venice and Istanbul.

10 Count Petar Zrinski (1621-1671), Ban, military leader in the Thirty-Year War against the Turks, disappointed with the terms of the Vasvár Peace, which did not provide for the restitution of Croatian and Hungarian lands, considered a more direct settlement with Turkey, on more favourable terms for Croatia.

11 See note 6.

12 See note 8.

13 - Vlatko Maček (1879-1964), succeeded Stjepan Radić at the head of the Croatian Peasant Party; negotiated an agreement with the government in Belgrade on the creation of a large autonomous Banate of Croatia, with parts of Bosnia and Herzegovina.

- Josip Broz Tito (1892-1980), communist fighter against the German and Italian occupation, military leader, statesman; severed the ties with Stalin; co-founder of the non-aligned bloc.

Economic and Social Cohesion Policy and Enlargement of the EU

Jorgen Mortensen

INCOME DIFFERENTIALS IN THE EU IN THE PAST AND IN THE FUTURE

At the time of the first enlargement of the European Community, in 1973, the original six member states constituted a relatively closely knit and homogeneous trading zone. GDP per head of population (in purchasing power standards) in Italy stood only some 20% below that of the Federal Republic of Germany, with Belgium, France and the Netherlands within this range and only Luxembourg substantially above the FRG.

The 1973 enlargement entailed the entry of two new member states (Denmark and the United Kingdom) with per capita GDP close to the median of the founding members and one new member state (Ireland) with a per capita GDP only about 50% of that of Germany and 60% of that of Italy.

In 1981 the then nine EC member states were joined by Greece with a per capita GDP close to that of Ireland and in 1986 by Spain and Portugal with a GDP level respectively somewhat higher than and somewhat lower than that of Greece. The two latter enlargements, involving three countries with a total population of 58 million, consequently resulted in a significant shift of the geo-

graphical and economic balance in the EC in favour of low-income Mediterranean countries.

The German unification, furthermore, brought into the EC East Germany with a population of some 16 million and a per capita GDP some 30% of that of West Germany or 60% of that of the level of Portugal.

The 1995 enlargement, involving the entry of Austria, Sweden and Finland, on the contrary entailed the addition of high-income countries of Northern "obedience" and thus, to some extent, re-established the North-South equilibrium existing among the original Six.

In 1994 the level of GDP per capita within the EU, converted at current rates of exchange, ranged from about 7,000 ECU in Greece and Portugal to some 25,000 in Denmark (and even more in Luxembourg), corresponding to a spread of about 1:3.5. Enlargement of the EU to include the ten CEECs would, first and foremost, entail a pronounced rise in income differentials within the Union.

Among the candidate countries only Slovenia has an income level comparable to that of Greece and Portugal. In fact, at some 6,000