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TOUGH LOVE: THE EUROPEAN UNION'S RELATIONS WITH THE WESTERN BALKANS



TOUGH LOVE: THE EUROPEAN UNION'S RELATIONS WITH THE WESTERN BALKANS

Proefschrift

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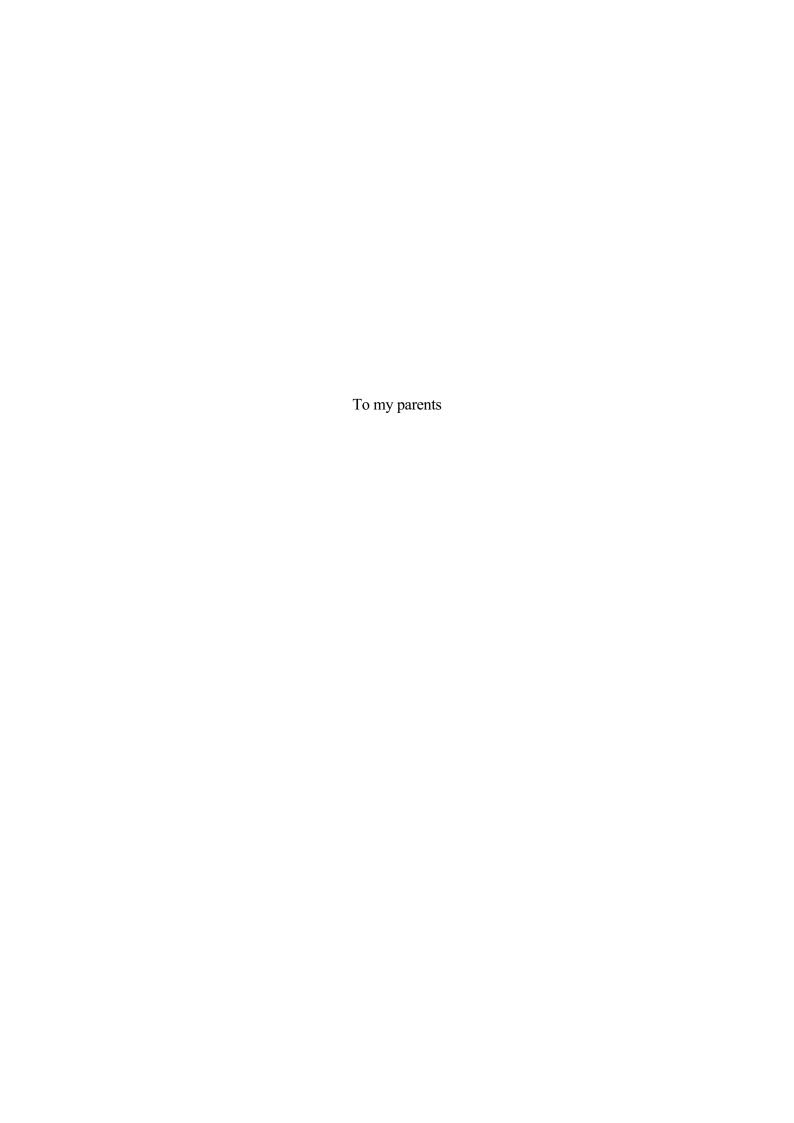


TABLE OF CONTENTS

Det	ailed table of contents	IX
List	t of abbreviations	XV
Maj	ps	XXIII
Fac	ts and figures	XXVII
1.	The European Union's Roughest Neighbourhood	1
2.	Role and Impact of the UN, NATO, the OSCE and the COE: The Western Balkans Lost in the Alphabet Soup?	19
3.	The European Union's Actions Towards the Socialist Federal Republic of Yugoslavia and Its Successor States (1991-2001)	111
4.	The Western Balkans as a Testing Ground for a Common Foreign and Security Policy	177
5.	The European Union's Application of the Conditionality Principle to the Western Balkans	241
6.	Recommendations for Reinforcing the European Union's Role in the Western Balkans	309
A c	hronology of key events in the history of the Western Balkans	337
Bib	liography	367
Ind	ex	409
Nec	derlandse samenvatting	423
Cur	riculum vitae	431

DETAILED TABLE OF CONTENTS

List of abbreviations Maps	XV XXIII XVII
Maps	
•	XVII
Facts and figures X	_ , _1
1. The European Union's Roughest Neighbourhood	
1. Introduction	1
2. Thesis	4
3. Aims, methodology, structure	7
4. The Balkans: caught between history and geography	9
5. Terminology	12
5.1 Western Balkans	12
5.2 European security architecture	14
5.3 Stabilisation and other international security concepts	15
2. Role and Impact of the UN, NATO, the OSCE and the COE:	
The Western Balkans Lost in the Alphabet Soup?	
1. Introduction	19
2. United Nations	19
2.1 Legal and operational framework	20
2.2 The evolution of UN conflict prevention, crisis management and	
post-conflict peacebuilding	23
3. NATO	28
3.1 Legal and operational framework	28
3.2 Adaptations to the operational framework	30
3.3 Enlargement as a means to extend security and stability	33
4. OSCE	37
4.1 Legal and operational framework	37
4.2 OSCE field presence	40
4.3 High Commissioner on National Minorities	42
5. Council of Europe	43
5.1 Legal and operational framework	43
5.2 Tools to create and enhance democratic security	44
5.3 Enlargement as a means to extend security and stability	45
6. Efforts to bring peace and stability to the Western Balkans:	
United Nations	48
6.1 Introduction	48
6.2 UNPROFOR (1): too little, too late	50
6.2.1 Establishment and rapid expansion of mandate and territory	50
6.2.2 'Safe areas'	51
6.2.3 The question of air strikes	53
6.2.4 Air strikes and consequences	55
6.2.5 Reorganisation of UNPROFOR	57

X	DETAILED TABLE OF CON'	TENTS
6.3	Bosnia-Herzegovina: UNPROFOR (2), IPTF and UNMIBH	58
6.3.1	UNPROFOR becomes part of the problem	59
6.3.2	Rapid Reaction Force	60
6.3.3	The Srebrenica and Žepa massacres	60
6.3.4	Cease-fire and peace agreements	62
6.3.5	IFOR, IPTF and UNMIBH	63
6.4	Bosnia-Herzegovina: Office of the High Representative	64
6.5	Croatia: UNCRO, UNTAES, UNMOP and UNPSG	68
6.6	Macedonia: UNPREDEP	72
6.7	Kosovo: UNMIK	74
7.	Efforts to bring peace and stability to the Western Balkans: NATO	81
7.1	Bosnia-Herzegovina	81
7.2	Macedonia	85
7.3	Kosovo	86
7.3.1	Chronicle of an intervention foretold	87
7.3.2	Operation Allied Force	89
7.3.3	KFOR	91
8.	Efforts to bring peace and stability to the Western Balkans: OSCE	92
8.1	OSCE Spillover Monitor Mission to Skopje	93
8.2	OSCE Mission to Bosnia and Herzegovina	94
8.3	OSCE Mission to Croatia	95
8.4	OSCE Mission in Kosovo	96
8.5	OSCE Mission to Serbia	99
8.6	OSCE Mission to Montenegro	100
8.7	OSCE Presence in Albania	101
9.	Efforts to bring peace and stability to the Western Balkans:	
	Council of Europe	102
10.	Concluding remarks	104
10.1	European security architecture: lessons learned from the Western	
	Balkans	104
10.2	Lack of consent; sovereignty and non-interference	106
10.3	Lack of political will within international organisations	107
10.4	Competing international organisations	108
10.5	Lack of resources	109
3.	The European Union's Actions Towards the Socialist Federal	
1	Republic of Yugoslavia and Its Successor States (1991-2001) Introduction	111
1. 2.		111
2.1	Leading the international peace efforts (1991) Political objectives	113
2.2	Economic and financial instruments	113 117
2.2.1	Arms embargo, suspension and termination of aid and trade relations	
2.2.1	Re-establishing trade relations with those republics supporting peace	117 119
2.2.2	Effects of the measures	121
2.2.3	Legality under public international law	121
2.2.4	Joint statements	121
2.4	European Community Monitoring Mission (later EUMM)	129
	European Community monitoring mission (later Ectivity)	14)

DETAILED	TABLE OF CONTENTS	XI
2.5	Conference on Yugoslavia	132
2.6	Badinter Arbitration Commission	133
2.6.1	Institutional aspects	133
2.6.2	Arbitral opinions	136
2.6.3	The question of self-determination	138
2.6.4	The question of recognition	142
2.6.5	The question of frontiers	145
2.6.6	The question of succession	148
2.6.7	General legal observations	149
2.7	Impact of EC intervention	150
3.	Surfing the waves of international mediation (1992-1998)	152
3.1	Political objectives	152
3.2	Arms embargo	153
3.3	Effectiveness of EU sanctions	154
4.	EU sanctions against the FRY over the war in Kosovo (1998-2001)	155
4.1	Political objectives	155
4.2	Arms embargo	158
4.3	Visa restrictions	159
4.4	Flight ban	161
4.5	Oil embargo	164
4.6	Financial sanctions	165
4.7	Investment bans	169
4.8	Effectiveness of EU sanctions	170
5.	EU sanctions against extremists in FYROM	172
6.	Concluding remarks	173
4.	The Western Balkans as a Testing Ground for a Common	
	Foreign and Security Policy	
1.	The gradual development of the CFSP/ESDP	177
2.	ESDP operations avant la lettre	182
2.1	EU Administration of Mostar	182
2.2	EU interventions by way of the WEU	186
2.2.1	Multinational Advisory Police Element to Albania	186
2.2.2	General security surveillance mission in Kosovo	187
2.2.3	WEU Demining Assistance Mission in Croatia	187
2.3	Evaluation	188
3.	Diplomatic endeavours	189
3.1	Coupe macédoine	189
3.1.1	Protecting minority rights	189
3.1.2	A partnership of 'honest' brokers?	193
3.1.3	Ohrid Framework Agreement (2001)	195
3.1.4	Sustainability of the diplomatic efforts	198
3.2	The death of the third 'Yugoslavia'	199
3.2.1	The need to restructure relations between Serbia and Montenegro	199
3.2.2	The EU as an honest broker?	201
3.2.3	Belgrade Agreement (2002)	203
3.2.4	Sustainability of the European Union's diplomatic efforts?	204

XII	DETAILED	TABLE OF CONTENTS
3.3	The European Union in Kosovo	207
3.3.1	Embedded in an international reconstruction effort	207
3.3.2	Final status talks	210
3.3.3	Proposed outcome	215
3.3.4	Future EU intervention in Kosovo	218
4.	ESDP operations selon la lettre?	221
4.1	Bosnia-Herzegovina	221
4.1.1	EU Police Mission to Bosnia-Herzegovina	221
4.1.2	EUFOR Althea	225
4.2	Macedonia	232
4.2.1	Operation Concordia	232
4.2.2	EUPOL Proxima	236
4.2.3	EUPAT	238
5.	Concluding remarks	239
5.	The European Union's Application of the Conditiona	ality
	Principle to the Western Balkans	
1.	Introduction	241
2.	Main policy instruments	243
2.1	Regional approach	243
2.2	Stability Pact for South-Eastern Europe	247
2.3	Stabilisation and Association Process	251
3.	Stabilisation and Association Agreements	253
3.1	Legal basis	253
3.2	Procedure	254
3.2.1	Macedonia and Croatia	255
3.2.2	Albania	257
3.2.3	Bosnia-Herzegovina	258
3.2.4	Serbia and Montenegro	259
3.2.5	Kosovo	263
3.3	General principles	264
3.3.1	Essential elements	264
3.3.2	Regional cooperation	266
3.3.3	Approximation of legislation	268
3.4	Financial and technical assistance	269
3.5	Trade preferences	274
4.	European Partnerships: conditions and consequences	277
5.	From 'potential' to full membership perspective	280
5.1	The meaning of 'potential' candidate country status	280
5.2	Revised procedure for accession negotiations	282
5.2.1	Transitional v. permanent arrangements	282
5.2.2	Benchmarking	284
5.3	Croatia	285
5.4	Macedonia	289
6.	Integration capacity of the European Union	290
6.1	Shortcomings of the Treaty of Nice	290
6.2	Constitutional impasse	291

DETAILED TABLE OF CONTENTS		XIII	
6.3	Enlargement as a casualty?	292	
6.4	'Privileged partnerships'	294	
6.5	Reconciling 'deepening' and 'widening': can 'widening' save 'deepening'?	297	
7.	The multi-dimensional nature of EU conditionality as applied in the		
	case of the Western Balkans: synopsis	298	
8.	Difficulties in applying EU conditionality in the Western Balkans	300	
8.1	Flawed assumptions?	300	
8.2	Regional approach	301	
8.3	Local support	302	
8.4	One-way approach	303	
9.	Improving EU conditionality for the Western Balkans	304	
10.	Concluding remarks	305	
6.	Recommendations for Reinforcing the European Union's Role in the Western Balkans		
1.	In search of sustainable solutions	309	
2.	Restructuring the international presence	311	
2.1	More European Union and NATO	311	
2.1.1	Strengthening the Stabilisation and Association Process	312	
2.1.1.1	Choosing a 'Helsinki moment'	312	
2.1.1.2	Embedding financial and technical assistance	313	
2.1.1.3	Enhancing regional cooperation	316	
2.1.2	Focus on the Membership Action Plan and the Partnership for Peace	320	
2.2	Fewer <i>ad hoc</i> arrangements	321	
2.2.1	The role of the United Nations	321	
2.2.2	The role of the OSCE and the Council of Europe	322	
2.2.3	The role of the United States and Russia	322	
3.	Facing constitutional and status issues	323	
3.1	The current constitutional environment	323	
3.2	The perceptions map: ICB survey	324	
3.3	Balkan endgame	325	
3.3.1	Kosovo's final status	326	
3.3.2	Bosnia-Herzegovina: from Bonn to Brussels	328	
4.	Building Member States in the Western Balkans	330	
4.1	Institution-building	330	
4.2	Constituency-building	332	
4.2.1	Assuring minority rights protection	332	
4.2.2	Reinterpreting ICTY conditionality	333	
4.2.3	Fighting organised crime	334	
5.	Concluding remarks	335	
A chrono	logy of key events in the history of the Western Balkans	337	
Bibliogra		367	
Index		409	
Nederland	dse samenvatting	423	
Curriculu		431	

ABBREVIATIONS

AAK Aleanca për Ardhmërinë e Kosovës (Alliance for the Future of Kosovo)

ACTORD Activation Order

AFDI Annuaire Français de Droit International

AII Adriatic-Ionian Initiative

AJIL American Journal of International Law ASIL American Society of International Law

AU African Union

Australian YIL Australian Yearbook of International Law

BBC British Broadcasting Corporation

BiH Bosnia-Herzegovina

BSEC Black Sea Economic Cooperation
Bull. EC Bulletin of the European Communities
Bull. EU Bulletin of the European Union
BYIL British Yearbook of International Law

CARDS Community Assistance for Reconstruction, Development and

Stabilisation

CBD Center for Balkan Development CDA Christen Democratisch Appèl

CDDRL Center on Democracy, Development and the Rule of Law CDL European Commission for Democracy through Law CDU Christlich Demokratische Union Deutschlands

CEE Communauté économique européenne
CEEC Central and Eastern European Countries
CEFTA Central European Free Trade Agreement

CEI Central European Initiative

CEPS Centre for European Policy Studies
CFE Conventional Armed Forces in Europe

CFI Court of First Instance

CFSP Common Foreign and Security Policy

CIA Central Intelligence Agency
CiO Chairman-in-Office

CIS Commonwealth of Independent States
CMLR Common Market Law Reports
CML Rev. Common Market Law Review

CoE Council of Europe

COM European Commission document
COPS Comité politique et de sécurité
Cornell ILJ Cornell International Law Journal
EU Council on the Western Balkans

CPC Conflict Prevention Centre
CPE Coopération politique européenne
CRS Congressional Research Service

CSCE Conference on Security and Cooperation in Europe

XVI ABBREVIATIONS

CSO Committee of Senior Officials
CSU Christlich Soziale Union in Bayern

DAV Direktie Atlantische Samenwerking en Veiligheidheidszaken (Atlantic

Cooperation and Security Affairs Department of the Netherlands

Ministry of Foreign Affairs)

DG Directorate General

DG ECFIN Directorate General for Economic and Financial Affairs

DG ELARG Directorate General for Enlargement
DG RELEX Directorate General for External Relations

DOS Democratic Opposition of Serbia
DPS Democratic Party of Socialists
DRC Democratic Republic of Congo

D-SACEUR Deputy Supreme Allied Commander Europe

DSRSG Deputy Special Representative of the Secretary-General

EA Europe Agreement

EAEC European Atomic Energy Community
EAPC Euro-Atlantic Partnership Council
EAR European Agency for Reconstruction

EBRD European Bank for Reconstruction and Development

EC European Community/Communities ECAA European Common Aviation Area

ECHO European Community Humanitarian Aid Office

ECHR European Convention for the Protection of Human Rights and

Fundamental Freedoms

ECJ European Court of Justice

ECMM European Community Monitoring Mission

ECOSOC Economic and Social Council

ECOWAS Economic Community of West African States

ECR European Court Reports

ECSC European Coal and Steel Community

ECU European Currency Unit

EEC European Economic Community
EFA Rev. European Foreign Affairs Review
EIB European Investment Bank

EIDHR European Initiative for Democracy and Human Rights

EIPA European Institute of Public Administration
EJIL European Journal of International Law

EL Rev. European Law Review

ENP European Neighbourhood Policy

ENPI European Neighbourhood and Partnership Instrument

EP European Parliament

EPC European Political Cooperation ESDP European Security and Defence Policy

ESF European Security Forum
ESI European Stability Initiative
ESS European Security Strategy
ETS European Treaties Series

EU European Union

ABBREVIATIONS XVII

EUAM European Union Administration of Mostar

EUF European Union-led Forces

EUFOR European Union Force in Bosnia and Herzegovina

EU OHQ EU Operation Headquarters

EUI European University Institute, Florence
EUISS European Union Institute for Security Studies

EUMC European Union Military Committee
EUMM European Union Monitoring Mission

EUPAT EU Police Advisory Team
EUPM European Union Police Mission
EUPOL European Union Police Mission

EUPT European Union Planning Team for Kosovo EUSR European Union Special Representative

EVRM Europees Verdrag voor de Rechten van de Mens en Fundamentele

Vrijheden

FAIFE IFLA Committee on Free Access to Information and Freedom of

Expression

FAO Food and Agriculture Organisation

FBiH Federacije Bosne i Hercegovine (Federation of Bosnia-Herzegovina)

FIDE Fédération Internationale du Droit Européen Finnish YIL Finnish Yearbook of International Law FRY Federal Republic of Yugoslavia

FYROM Former Yugoslav Republic of Macedonia

G-7 Canada, France, Germany, Italy, Japan, the United Kingdom and the

United States of America

G-8 G-7 plus Russia GA General Assembly

GAERC General Affairs and External Relations Council
GATT General Agreement on Tariffs and Trade

GDP gross domestic product

GIS Geographic Information System

GMT Greenwich Mean Time

GSP Generalised System of Preferences

GSZ Ground Safety Zone

HCNM High Commissioner on National Minorities

HDZ Hrvatska Demokratska Zajednica (Croatian Democratic Union)

HFUM Helsinki Follow-Up Meeting HLPM High-Level Plenary Meeting

HQ headquarters

HR High Representative
HRW Human Rights Watch

ICB International Commission for the Balkans

ICFY International Conference on the Former Yugoslavia

ICG International Crisis Group ICJ International Court of Justice

ICLQ International and Comparative Law Quarterly

XVIII ABBREVIATIONS

ICM International Civilian Mission
ICO International Civilian Office
ICR International Civilian Representative
ICRC International Committee of the Red Cross

ICTY International Criminal Tribunal for the former Yugoslavia IFLA International Federation of Library Associations and Institutions

IFOR Implementation Force

IGC Intergovernmental Conference IHT International Herald Tribune

ILF International Law FORUM du droit international

ILMInternational Legal MaterialsIMFInternational Monetary FundIMPInternational Military PresenceIOLRInternational organizations law reviewIPAInstrument for Pre-Accession AssistanceIPTFInternational Police Task Force (UN)

ISPA Instrument for Structural Policies for Pre-Accession

ISS Institute for Security Studies

IWPR Institute for War & Peace Reporting

JAT Jugoslovensko Aviontransport JCMS Journal of Common Market Studies

JDW Jane's Defence Weekly JHA Justice and Home Affairs (EU)

JNA Jugoslovenska narodna armija (Yugoslav People's Army)

JT Journal des tribunaux (Belgium)

KFOR Kosovo Force

KLA Kosovo Liberation Army KPC Kosovo Protection Corps KPS Kosovo Police Service

KSIP Kosovo Standards Implementation Plan

KVAB Koninklijke Vlaamse Academie van België voor Wetenschappen en

Kunsten

KVM Kosovo Verification Mission

LDK Lidhja Demokratike e Kosovës (Democratic League of Kosovo)

LIEI Legal Issues of European Integration
LJIL Leiden Journal of International Law
LNTS League of Nations Treaty Series

LSE London School of Economics and Political Science

MAP Membership Action Plan

MAPE Multinational Advisory Police Element (UN - Albania)

MC Ministerial Council

MEDA Euro-Mediterranean Partnership
MEP Member of the European Parliament

MINUK Mission d'administration intérimaire des Nations Unies au Kosovo

MoU Memorandum of Understanding MTA Military Technical Agreement

ABBREVIATIONS XIX

NAC North Atlantic Council

NACC North Atlantic Cooperation Council

NAT North Atlantic Treaty

NATO North Atlantic Treaty Organisation NGO non-governmental organisation NHQSa NATO Headquarters in Sarajevo

NJCM Nederlands Juristen Comité voor de Mensenrechten

NLA National Liberation Army

Nordic JIL Nordic Journal of International Law

NPAA National Programme for the Adoption of the *Acquis*

OAS Organization of American States
OAU Organization of African Unity

ODIHR OSCE Office for Democratic Institutions and Human Rights
OECD Organisation for Economic Cooperation and Development

OHR Office of the High Representative

OJ Official Journal of the European Communities/Union

OMIK OSCE Mission in Kosovo OMRI Open Media Research Institute

OSCE Organisation for Security and Cooperation in Europe
OSZE Organisation für Sicherheit und Zusammenarbeit in Europa

OTAN Organisation du Traité de l'Atlantique Nord

PACE Parliamentary Assembly of the Council of Europe

PC Permanent Council

PCA Partnership and Cooperation Agreement

PDK Partia Demokratike e Kosovës (Democratic Party of Kosovo)

PESC Politique étrangère et de sécurité commune

PfP Partnership for Peace

PHARE Poland Hungary Assistance for the Reconstruction of the Economy

PIC Peace Implementation Council

PISG Provisional Institutions of Self-Government

PRST presidential statement

PSC Political and Security Committee

PSIO Program for the study of international organization(s)

RBDI Revue belge de droit international RCC Regional Cooperation Council

RdC Recueil des cours

RGDIP Revue Générale de Droit International Public RNIS Refugee Nutrition Information System

RRF Rapid Reaction Force RRM Rapid Reaction Mechanism

RS Republika Srpska

RSFY République socialiste fédérale de Yougoslavie RTDE Revue Trimestrielle de Droit Européen

SAA Stabilisation and Association Agreement SAC Stabilisation and Association Council

SaM Serbia and Montenegro

ABBREVIATIONS XX

SAO Serbian Autonomous Oblast

SAP Stabilisation and Association Process

SAPARD Special Accession Programme for Agriculture and Rural Development

Security Council SC SDS Serbian Democratic Party

European Commission documents which cannot be classified in any of SEC

the other series

Southeast European Cooperative Initiative **SECI**

south-eastern Europe SEE

South-East Europe Cooperation Process **SEECP**

SEESP South East European Studies Programme (Oxford University)

SEW Sociaal Economische Wetgeving

SFOR Stabilisation Force in Bosnia and Herzegovina Socialist Federal Republic of Yugoslavia **SFRY** Secretary-General/High Representative SG/HR **SHAPE** Supreme Headquarters Allied Powers Europe **SIPRI** Stockholm International Peace Research Institute

Socialist People's Party of Montenegro SNP

Status of Forces Agreement **SOFA**

SRSG Special Representative of the Secretary-General

SAP Tracking Mechanism STM **SWP** Stiftung Wissenschaft und Politik

Technical Assistance to the Commonwealth of Independent States **TACIS**

TCE Treaty establishing a Constitution for Europe TEC Treaty establishing the European Community

Treaty on European Union **TEU**

Universal Declaration of Human Rights **UDHR**

United Kingdom UK UN United Nations

UNC United Nations Charter

United Nations Confidence Restoration Operation **UNCRO** United Nations Centre on Transnational Corporations **UNCTC**

UN Doc. **United Nations Documents**

UNDP United Nations Development Programme **UNDPI** United Nations Department of Public Information

UNESCO United Nations Educational, Scientific and Cultural Organization

United Nations General Assembly **UNGA**

United Nations High Commissioner for Refugees **UNHCR** United Nations Mission in Bosnia and Herzegovina **UNMIBH** United Nations Interim Administration Mission in Kosovo UNMIK

United Nations Mission of Observers in Prevlaka **UNMOP**

UNO United Nations Organization **UNPA** United Nations Protected Area **United Nations Peace Forces UNPF**

UNPREDEP United Nations Preventive Deployment Force

UNPROFOR United Nations Protection Force United Nations Police Support Group **UNPSG UNSC** United Nations Security Council

ABBREVIATIONS XXI

UNSCR United Nations Security Council Resolution

UNSG United Nations Secretary-General

UNTAES United Nations Transitional Authority in Eastern Slovenia

UNTS United Nations Treaty Series UPFM Unified Police Force Mostar

US United States USD US Dollar

VCLT Vienna Convention on the Law of Treaties Virginia JIL Virginia Journal of International Law

WEU Western European Union WFP World Food Programme

WIIW Wiener Institut für Internationale Wirtschaftsvergleiche (Vienna

Institute for International Economic Studies)

WTO World Trade Organisation

ZaöRV Zeitschrift für ausländisches öffentliches Recht und Völkerrecht

ZEI Zentrum für Europäische Integrationsforschung

MAPS*



 $^{^{*}}$ Sources: Joint World Bank - European Commission Office for South East Europe (map of Western Balkans); University of Texas Libraries (all other maps).

XXIV MAPS



Albania



Bosnia and Herzegovina

MAPS XXV



Croatia



Macedonia

XXVI



Montenegro



Serbia

FACTS AND FIGURES

Croatia – Geographical and political profile

Official name	Republic of Croatia (Republika Hrvatska)
Independence	25 June 1991
Area	56,542 km ²
Neighbouring countries	Bosnia and Herzegovina (932 km), Hungary (329 km), Serbia (241 km), Montenegro (25 km), Slovenia (670 km), coastline (5,835 km)
Population	4.5 million (2007, est.)
Density	78 inhabitants per km²
Distribution	53.3% urban population, 46.7% rural population (2002)
Population profile	Croat (89.6%), Serb (4.5%), Bosniak (0.47%), Hungarian (0.37%), Czech (0.34%), Slovene (0.3%), Roma (0.21%) (2001 census)
Languages	Croatian (96.1%), Serbian (1%), other, including Italian, Hungarian, Czech, Slovak and German (2.9%) (2001 census)
Religions	Roman Catholic (87.8%), Orthodox (4.4%), Muslim (1.3%), Protestant (0.3%), others (6.2%)
Life expectancy	Average: 74.9 years, male: 71.3 years, female: 78.8 years (2007 est.)
Main political parties in Parliament (152 seats)	HDZ - Croatian Democratic Union (63), SDP - Social Democratic Party (34), HNS - Croatian People's Party (11), HSS - Croatian Peasants' Party (9)
President	Stjepan (Stipe) MESIC (HNS, since 18 February 2000)
Prime Minister	Ivo SANADER (HDZ, since 9 December 2003)

Croatia – Economic profile

GDP	Approx. €27.6 billion (2004)
GDP per capita	ϵ 6,200 in purchasing power standards (48.86% of EU-25 average) (2004)
Economic growth	5.3% in 2003; 3.8% in 2004; 4.3% in 2005; 4.6% in 2006
Inflation rate	3.4% (2006 est.)
Unemployment rate	17.2% (2006 official)
Population below poverty line	11% (2003)
Currency	Kuna (HRK)
Government budget balance	-3.9% of GDP
Current account balance	-7.7% of GDP (second quarter of 2006, four quarter moving average)
Foreign debt	82.5% of GDP (end 2005)

XXVIII FACTS AND FIGURES

Croatia – Economic profile (cont'd)

Natural resources	oil, some coal, bauxite, low-grade iron ore, calcium, gypsum, natural asphalt, silica, mica, clays, salt, hydropower
Agricultural products	wheat, sugar beets, sunflower seed, barley, alfalfa, clover, olives, citrus, grapes, soybeans, potatoes, livestock, dairy products
Industries	chemicals and plastics, machinery, fabricated metal, electronics, pig iron and rolled steel products, aluminium, paper, wood products, construction materials, textiles, shipbuilding, petroleum (refining), food and beverages, tourism
Export products	transport equipment, textiles, chemicals, foodstuffs, fuels
Import products	machinery, transport and electrical equipment, chemicals, fuels and lubricants, foodstuffs
Most prominent trading partners	Export: Italy 21.8%, Bosnia and Herzegovina 14.7%, Germany 10.7%, Slovenia 8.1%, Austria 7.3% (2005) Import: Italy 15.9%, Germany 14.9%, Russia 9.1%, Slovenia 6.8%, Austria 5.8%, China 4.7%, France 4.2% (2005)
Trade with the EU	Exports to the EU: 64% of total (ϵ 3.92 billion) (2005) Imports from the EU: 70% of total (ϵ 9.78 billion) (2005) Trade deficit = ϵ 5.86 billion

Macedonia – Geographical and political profile

Official name	The former Yugoslav Republic of Macedonia
Independence	8 September 1991
Area	25,333 km ²
Neighbouring countries	Albania (151 km border), Serbia (221 km), Bulgaria (148 km), Greece (246 km), coastline (0 km)
Population	2.06 million (2007 est.)
Density	78.7 inhabitants per km²
Population profile	Macedonian (64.2%), Albanian (25.2%), Turkish (3.9%), Roma (2.7%), Serb (1.8%), Bosniak (0.8%), Vlach (0.5%), other (0.9%) (2002 census)
Languages	Macedonia (66.5%), Albania (25.1%), Turkish (3.5%), Serbia (1.2%), other (3.7%)
Religions	Orthodox (64.8%), Muslim (33.3%), other (1.9%) (2002 census)
Life expectancy	Average: 74.2 years, male: 71.7 years, female: 76.9 years (2007 est.)
Main political parties in Parliament (120 seats)	VMRO-DPMNE (VMRO-Democratic Party for Macedonia National Unity) (45), SDSM (Social Democratic Union of Macedonia) (32), BDI/DUI (Democratic Union of Integration) (17), PDSh-DPA (Democratic Party of Albanians) (11)
President	Branko CRVENKOVSKI (SDSM, since 12 May 2004)
Prime Minister	Nikola GRUEVSKI (VMRO-DPMNE, since 26 August 2006)

FACTS AND FIGURES XXIX

Macedonia – Economic profile

Wiaccuoma – Econon	me prome
GDP	Approx. €4.3 billion (2004)
GDP per capita	€5,600 in purchasing power standards (25% of EU-25 average) (2004)
Economic growth	4.0% in 2005; 3.1% in 2006
Inflation rate	3% (2006 est.)
Unemployment rate	37.3% (2005 ILO definition)
Population below poverty line	30% (2005)
Currency	Macedonian Denar (MKD)
Government budget balance	2005 budget surplus: 0.3% of GDP (general government)
Current account balance	-1.4% of GDP (2005)
Foreign debt	38% of GDP (natura, August 2006)
Natural resources	low-grade iron ore, copper, lead, zinc, chromite, manganese, nickel, tungsten, gold, silver, asbestos, gypsum, timber, arable land
Agricultural products	grapes, wine, tobacco, vegetables, milk, eggs
Industries	food processing, beverages, textiles, chemicals, iron, steel, cement, energy, pharmaceuticals
Export products	food, beverages, tobacco, textiles, miscellaneous manufactures, iron and steel
Import products	machinery and equipment, automobiles, chemicals, fuels, food products
Most prominent trading partners	Export: Serbia and Montenegro 22.5%, Germany 17.8%, Greece 15.3%, Italy 8.3% (2005) Import: Russia 13.2%, Germany 10.4%, Greece 9.2%, Serbia and Montenegro 8.2%, Bulgaria 7.3%, Italy 6% (2005)
Trade with the EU	Exports to the EU: 52.3% of total (2004) Imports from the EU: 64.4% of total (2004)

Albania – Geographical and political profile

Official name	Republic of Albania
Independence	28 November 1912
Area	28,748 km ²
Neighbouring countries	Greece (282 km), FYROM (151 km), Montenegro (172 km), Serbia (115 km), coastline (362 km)
Population	3.6 million (2007 est.)
Density	109 inhabitants per km ²
Distribution	44% urban population, 56% in rural areas
Population profile	Albania (95%), Greek (3%), other (2%) (Vlach, Roma, Serb, Macedonian, Bulgarian) (1989 est.)

XXX FACTS AND FIGURES

Albania – Geographical and political profile (cont'd)

Languages	Albanian, Greek, Vlach, Romani, Slavic dialects
Religions	Muslim (70%), Albanian Orthodox (20%), Roman Catholic (10%) (est.)
Life expectancy	Average: 77.6 years, male: 74.9 years, female: 80.5 years (2007 est.)
Main political parties in Parliament (140 seats)	Democratic Party (56), Socialist Party (42), Republican Party (11), Party of Social Democracy (7), Liberal Union Party (5), other (19)
President	Alfred MOISIU (DP, since 24 June 2002)
Prime Minister	Sali BERISHA (SP, since 10 September 2005)

Albania – Economic profile

D-	
GDP	Approx. €5.4 billion (2004)
GDP per capita	€3,983 in purchasing power standards (8% of EU-25 average) (2003 est.)
Economic growth	3.4% in 2002; 6.0% in 2003; 6.3% in 2004; 5% in 2006
Inflation rate	2.4% in 2003; 3.4% in 2004; 2.5% in 2006
Unemployment rate	13.8% (2006, official)
Population below poverty line	25%
Currency	Lek
Government budget balance	-4.9% of GDP (2004)
Current account balance	-6.0% of GDP (2004)
Foreign debt	20.2% of GDP (2003)
Natural resources	petroleum, natural gas, coal, bauxite, chromite, copper, iron ore, nickel, salt, timber, hydropower
Agricultural products	wheat, corn, potatoes, vegetables, fruits, sugar beets, grapes, meat, dairy products
Industries	food processing, textiles and clothing, lumber, oil, cement, chemicals, mining, basic metals, hydropower
Export products	textiles and footwear, asphalt, metals and metallic ores, crude oil, vegetables, fruits, tobacco
Import products	machinery and equipment, foodstuffs, textiles, chemicals
Most prominent trading partners	Export: Italy 72.4%, Greece 10.5%, Serbia and Montenegro 5% (2005) Import: Italy 29.3%, Greece 16.4%, Turkey 7.5%, China 6.6%, Germany 5.4%, Russia 4% (2005)
Trade with the EU	Exports to EU-25: \in 1.11 million (2003) Imports from EU-25: \in 368 million (90%) (2003) Trade deficit = \in 393 million

FACTS AND FIGURES XXXI

Bosnia-Herzegovina – Geographical and political profile

Bosina Herzegovina	Geographical and political profile
Official name	Bosnia and Herzegovina
Independence	1 March 1992
Entities	Federation of BiH, Republika Srpska, Brcko district
Area	51,129 km ²
Neighbouring countries	Croatia (932 km), Montenegro (225 km), Serbia (302 km), coastline (20 km)
Population	4.5 million (2007 est.)
Density	71 inhabitants per km² (est.)
Distribution	43% urban population, 57% rural population (est.)
Population profile	Bosniak (48%), Serb (37.1%), Croat (14.3%), other 0.6% (2000 est.)
Languages	Bosnian, Croatian, Serbian
Religions	Muslim (40%), Orthodox (31%), Catholic (15%), Protestant (4%), other (10%) (est.)
Life expectancy	Average: 78.2 years, male: 74.6 years, female: 82.0 years (2007 est.)
Main political parties in the House of Representatives (42 seats)	Party for Democratic Action (SDA, Bosniak) (9), Party for Bosnia and Herzegovina (SBiH, Bosniak) (8), Party of Independent Social Democrats (SNSD, Serb) (7), Social Democratic Party of Bosnia and Herzegovina (SDP BiH, multi-ethnic) (5), Croatian Democratic Union of Bosnia and Herzegovina (HDZ, Croat) (3), Serb Democratic Party (SDS, Serb) (3), Croat Democratic Union 1990 (HDZ 1990, Croat) (2)
Presidency (rotating)	Nebojsa RADMANOVIC (Serb), Haris SILAJDZIC (Bosniak) and Zeljko KOMSIC (Croat) (since November 2006)
Prime Minister BiH	Nikola SPIRIC (since 11 January 2007)
Prime Minister RS	Milorad DODIK (since November 2006)
Prime Minister FBiH	Nedzad BRANKOVIC (since March 2007)

Bosnia-Herzegovina – Economic profile

GDP	Approx. €7.5 billion (2005)
GDP per capita	€933 (2005)
Economic growth	6% (2006 est.)
Inflation rate	8.2% (2006, following the introduction of VAT)
Unemployment rate	45.5% (2005, official); 25-30% (2005, ILO standards)
Population below poverty line	25%
Currency	Convertible Mark (KM)
Government budget balance	+0.9% of GDP (2005)
Current account balance	-21.7% of GDP (2005)

XXXII FACTS AND FIGURES

Bosnia-Herzegovina – Economic profile (cont'd)

Foreign debt	29% of GDP (2005)
Natural resources	coal, iron ore, bauxite, copper, lead, zinc, chromite, cobalt, manganese, nickel, clay, gypsum, salt, sand, forests, hydropower
Agricultural products	wheat, corn, fruits, vegetables, livestock
Industries	steel, coal, iron ore, lead, zinc, manganese, bauxite, vehicle assembly, textiles, tobacco products, wooden furniture, tank and aircraft assembly, domestic appliances, oil refining
Export products	metals, clothing, wood products
Import products	machinery and equipment, chemicals, fuels, foodstuffs
Most prominent trading partners	Exports: Croatia 18.4%, Italy 17.1%, Slovenia 14.7%, Germany 12.8%, Austria 6.5%, Hungary 5.2%, China 4.2% (2005) Imports: Croatia 24.7%, Germany 13.6%, Slovenia 13%, Italy 11%, Austria 6.9%, Hungary 5.5% (2005)
Trade with the EU	Exports to EU-25: €1.3 billion (2005) Imports from the EU-25: €2.7 billion (2005)

$\underline{ \ Montenegro-Geographical\ and\ political\ profile}$

Official name	Republic of Montenegro
Independence	3 June 2006
Area	14,026 km ²
Neighbouring countries	Albania (172 km), Croatia (25 km), Bosnia-Herzegovina (225 km), Serbia (203 km), coastline (293.5 km)
Population	684,736 (July 2007 est.)
Density	44.9 inhabitants per km² (est.)
Distribution	60% urban population, 40% rural population
Population profile	Montenegrin (43%), Serb (32%), Bosniak (8%), Albanian (5%), Muslim (4%), Croat (1.1%), other (4.3%)
Languages	Serbian (official; Ijekavian dialect), Bosnian, Albanian, Croatian
Religions	Orthodox, Muslim, Catholic
Life expectancy	Average: 72.5 years, male: 71 years, female: 74 years
Main political parties in Parliament (81 seats)	Coalition for European Montenegro (DPS/SDP) (39), Serbian List (12), Coalition SNP/NS/DSS (11), Movement for Changes (PZP) (11), Liberals and Bosniaks (3), Albanian minority parties (5)
President	Filip VUJANOVIC (since 11 May 2003)
Prime Minister	Zeljko STURANOVIC (since 13 November 2006)

Montenegro – Economic profile

GDP	€1.67 billion (2006 est.)
GDP per capita	€2,950 in purchasing power standards (2006 est.)
Economic growth	6.5% in 2006

FACTS AND FIGURES XXXIII

Montenegro – Economic profile (cont'd)

Withitenegro - Econo	, prome (tone t)
Inflation rate	3.4% (2004)
Unemployment rate	27.7% (2005)
Population below poverty line	12.2% (2003)
Currency	Euro
Government budget balance	1.2% of GDP
Current account balance	-9.1% of GDP (2005)
Foreign debt	27.6% of GDP (2005)
Natural resources	bauxite, hydroelectricity
Agricultural products	grains, tobacco, potatoes, citrus fruits, olives, grapes, sheepherding, commercial fishing negligible
Industries	steelmaking, aluminium, agricultural processing, consumer goods, tourism
Export products	aluminium and aluminium products (41%), beverages and tobacco (18%), wood and timber (8%)
Import products	electrical energy (6.8%), fuel (5.2%), motor vehicles (5.1%), medicaments (3.3%)
Most prominent trading partners	Export: Serbia 42.6%, Italy 24.2%, Greece 9.0%, Switzerland 5.5%, BiH 3.7% (2004) Import: Serbia 34.8%, Italy 8.6%, BiH 5.5%, Greece 5.0%, Slovenia 5.0%, Germany 4.2% (2004)
Trade with the EU	Exports to EU-27: €287.7 million (2006) Imports from EU-27: €501.8 million (2006)

Serbia – Geographical and political profile

Official name	Republic of Serbia
Independence	5 June 2006
Area	88,361 km² (at the time of writing still including Kosovo)
Neighbouring countries	Bulgaria (318 km), Romania (476 km), Hungary (151 km), Croatia (241 km), Bosnia-Herzegovina (302 km), Albania (115 km), FYROM (221 km), Montenegro (203 km), coastline (0 km)
Population	10.15 million (including Kosovo, July 2007 est.)
Density	84 inhabitants per km²
Population profile	Serbian (66%), Albanian (17%), Hungarian (3.9%), Romany (Gypsy) (1.4%), Bosniak (1.8%), Montenegrin (0.9%), other 9.0% (2002 census)
Languages	Serbian (88.3%), Hungarian (3.8%), Bosniak (1.8%), Romany (Gypsy) (1.1%), other 5% (2002 census) Note: Romanian, Hungarian, Slovak, Ukrainian and Croatian all official in Vojvodina; Albanian official in Kosovo

XXXIV FACTS AND FIGURES

Serbia – Geographical and political profile (cont'd)

Religions	Serbian Orthodox (85%), Catholic (5.5%), Protestant (1.1%), Muslim (3.2%), other (5.2%) (2002 census)
Life expectancy	Average: 75.0 years, male: 72.5 years, female: 77.9 years (2007 est.)
Main political parties Parliament (250 seats)	SRS (81), DSS (64), DSS-NS (47), G17 Plus (19), SPS (16), LDP Coalition (15), other (8)
President	Boris TADIC (DS, since 11 July 2004)
Prime Minister	Vojislav KOSTUNICA (DSS, since 3 March 2004)

Serbia – Economic profile

GDP	€32.97 billion (including Kosovo) (2006 est.)
GDP per capita	€2,506 in purchase power standards (2006 est.)
Economic growth	5.9% in 2005; 6.3% in 2006
Inflation rate	6.6% (2006)
Unemployment rate	31.6% (2005)
Population below poverty line	30% (2003) Note: data covers the former Serbia and Montenegro (1999 est.)
Currency	Serbian Dinar (RSD)
Government budget balance	0.6% of GDP (2006)
Current account balance	-10.2% of GDP (2006)
Foreign debt	61% of GDP (2006)
Natural resources	oil, gas, coal, iron ore, copper, lead, zinc, antimony, chromite, nickel, gold, silver, magnesium, pyrite, limestone, marble, salt, arable land
Agricultural products	wheat, maize, sugar beets, sunflower, beef, pork, milk
Industries	sugar, agricultural machinery, electrical and communication equipment, paper and pulp, lead, transportation equipment
Export products	manufactured goods, food (raspberries, frozen fruits) and live animals, machinery and transport equipment
Import products	oil, natural gas, transport vehicles, cars, machinery, food
Most prominent trading partners	Export: Italy 14.1%, BiH 11.7%, Montenegro 10.4%, Germany 10.2%, FYROM 4.7% (2006) Import: Russia 14.5%, Germany 8.4%, Italy 7.3%, China 5%, Romania 3% (2006)
Trade with the EU	Exports to EU-25: 56% of total (2006) Imports from EU-25: 49% of total (2006)

FACTS AND FIGURES XXXV

$Kosovo-Geographical\ and\ political\ profile$

Official name	Kosovo (at the time of writing still part of Serbia but under the rule of the UNMIK pursuant to UNSC res. 1244)
Area	10,887 km ²
Neighbouring countries	FYROM (159 km), Albania (112 km), Montenegro (78.5 km), coastline (0 km) (Serbia: 351.5 km)
Population	2.1 million (2006 est.)
Density	193 inhabitants per km² (2006 est.)
Distribution	60% rural population, 40% urban population (2006 est.)
Population profile	Albanian (90%), Serbian (5%), Bosniak (1.9%), Roma (1.7%), Turkish (1%), Ashkali, Egyptian, Gorani (0.4%) (2006 est.)
Languages	Albanian, Serbian
Religions	Muslim, Orthodox, Catholic
Life expectancy	Average: 69 years, male: 67 years, female: 71 years (2003 est.)
Main political parties in Parliament (120 seats)	LDK (46), PDK (30), AAK (9), SLKM (8), Ora (7), Bosniak Vakat coalition (4), KDTP (3), other (13)
President	Fatmir SEJDIU (LDK, since 10 February 2006)
Prime Minister	Agim CEKU (since 10 March 2006)
UN SRSG (UNMIK)	Joachim RUCKER

Kosovo – Economic profile

GDP	€2.326 million (2004)
GDP per capita	€964.4 (2004)
Economic growth	1.2% (2002), 3.1% (2003), 3.2% (2004), 3.5% (2005)
Inflation rate	3.6% (2002), 1.1% (2003), 1.5% (2004), -0.5% (2005)
Unemployment rate	57.1 (2001), 55% (2002), 49.7% (2003), 50% (2006)
Population below poverty line	N/A
Currency	Euro, Dinar
Government budget balance	6.2% of GDP (2002), 2.5% of GDP (2003), -3.8% of GDP (2004)
Current account balance	-11.6% of GDP (2002), -15.8% of GDP (2003), -18% of GDP (2004)
Natural resources	bauxite, coal, silver, nickel
Agricultural products	wheat, maize, livestock, dairy products
Industries	steel, mining
Export products	base metal and articles of base metal (58.2%), mineral products (18.8%), leather products (6.8%), prepared foodstuffs, beverages and tobacco (4.4%), machinery, appliances and electric materials (3.3%) (2006)

XXXVI FACTS AND FIGURES

Kosovo – Economic profile (cont'd)

Import products	mineral products (19.6%), prepared foodstuffs, beverages and tobacco (13.4%), base metal and articles of base metal (10.3%), machinery, appliances and electric materials (9.0%) (2006)
Main trading partners	Export: Albania 20.0%, Macedonia 13.2%, Italy 8.4%, Greece 6.4% (2007) (Serbia 14.7%) Import: Macedonia 18.3%, Turkey 8.2%, Germany 7.0%, China 5.7% (2007) (Serbia 14.4%)
Trade with the EU	Exports to the EU: 32.6% Imports from the EU: 33.3% (2007)

Sources: WIIW Balkan Observatory, EUROSTAT, European Commission, DG ECFIN, CIA Word Factbook, IMF, UNMIK, Kosovo Statistical Office, OSCE, and Economist Intelligence Unit