The Aspen Institute | Germany

A FUTURE SECURITY ARCHITECTURE FOR SOUTHEAST EUROPE

Valeska Esch
Juliane Kabus (eds.)

The mission of The Aspen Institute is to improve the quality of leadership through dialog about the values and ideals essential to meeting the challenges facing organizations and governments at all levels. Over its sixty year history, the Aspen Institute has been devoted to advancing values-based leadership – to creating a safe, neutral space in which leaders can meet in order to discuss the complex challenges facing modern societies confidentially and in depth, with respect for differing points of view, in a search for common ground.

This book includes conference papers and proceedings of Aspen Germany's two-year project on "A Future Security Architecture for Southeast Europe" implemented in 2012-2013.

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FOREWORD

I first encountered the conference series "A Future Security Architecture for Southeast Europe" when the Aspen Institute Germany hosted the inaugural conference in Pristina in June 2012. This first event took place on a small scale, thus creating an atmosphere, which encouraged open exchange. Experts from Southeast Europe, the European Union and the United States, as well as Russia and Turkey discussed the framework within which the format could develop. The task was to set an agenda, which would lay out the most important elements of region-specific security policy. It also needed, within the given context, to enable experts from different fields to have extensive exchanges whilst at the same time building up an interdisciplinary network.

What has been achieved since then is impressive. The conferences "The Future Roles of NATO and the EU in SEE" and "Bilateral Security Roles in SEE" followed that very same year. The basis for these conferences was that the security interests of Southeast Europe are closely interwoven with those of the rest of Europe. There is a common determination that the region shall never again be the cause of instability or the scene of war, regardless of differences in individual positions. Despite some controversies, there was a broad consensus that there is in fact no alternative to building trust and initiating mutual partnerships, even if the journey is arduous and requires outside engagement and pressure.

The 2013 conferences, "Organized Crime as Security Challenge in Southeast Europe" and "Energy Security as a Security Challenge to the Security Architecture of Southeast Europe?", highlight two topics, which do not traditionally fall under foreign and security policy, yet are no less important as a result.

The round of conferences came to an end with a meeting in Berlin in November 2013, which brought the stakeholders together again, primarily in order to assess and evaluate the results. The Aspen Institute Germany managed to create conditions in which experts, who are both renowned and committed to the cause, could analyze the results, discuss policy options and outline possible scenarios for the future. I would like to sincerely thank the Aspen Institute Germany for the stimulating conferences as well as for the thought-provoking read offered by this report. Security, development and good governance in Southeast Europe, in the European Union's immediate neighborhood, directly affect us and remain a key challenge in our foreign policy.

Dr. Ernst Reichel, Ambassador
Special Envoy for South-Eastern Europe,
Turkey and the EFTA States
Federal Foreign Office

INTRODUCTION

Dear friends of the Aspen Institute Germany,

The Aspen Institute Germany has been devoted to providing a confidential and neutral platform in order to discuss the complex challenges leaders of today face off-the-record and in-depth, with respect for differing points of view, in search for common ground. Since 2008, leaders of the Western Balkan countries have come together at Aspen Institute Germany's conferences to discuss current issues their countries are facing regionally and with their German, U.S., Turkish, and Russian counterparts as well as representatives from international organizations, and to develop concrete policy recommendations and mutually beneficial solutions.

The countries of the Western Balkans have come a long way ever since the violent break-up of former Yugoslavia. They have overcome violent ethnic conflicts and developed from post-conflict and post-communist countries to young multi-ethnic democracies, including all the challenges these transitions entail. Today, Croatia is the 28th EU member state, Montenegro opened accession negotiations in June 2013, Serbia is about to open accession negotiations early 2014, Macedonia is an official candidate for membership and the European Commission has already recommended opening accession negotiations since 2009, Albania was just recommended for candidate status by the Commission, Kosovo has started its first round of negotiations on a Stabilisation and Association Agreement (SAA) with the EU, and Bosnia is also a potential candidate country for membership. Moreover, Albania and Croatia are members of NATO.

At the same time, challenges endure. The financial and economic crisis has hit the countries of the region and their economies, and unemployment rates remain high throughout the region. The development of strong rule of law institutions, resilient democracies, the fight against organized crime and corruption, and the guarantee of fundamental rights are yet to be completed, and bilateral issues still tend to affect bilateral and regional cooperation. While Serbia and Kosovo have already made substantial progress in normalizing their bilateral relations under EU mediation, the process is far from completed, and Macedonia has been suffering from its bilateral dispute over its name with Greece as well.

The Aspen Institute Germany has actively contributed to a regular constructive high-level regional dialog on common challenges the countries are facing since 2008. At five Southeast Europe Foreign Ministers' conferences and twelve sub-cabinet level meetings to which Aspen Germany provided a neutral platform, Aspen has fostered dialog and debate *inter alia* on issues like trust, competition, reconciliation, identity and ethnicity, EU and NATO integration, bilateral security roles, organized crime, and energy security. These conferences not only served as an opportunity for a productive exchange of opinions and the development of mutually acceptable ideas for solutions, but also developed a sustainable regional and international network of decision-makers, which can help establish trust and closer contact between formerly conflicting countries.

This publication contains conference papers and proceedings of the two-year project on "A Future Security Architecture for Southeast Europe". Over the course of these two years, Aspen Germany has held six sub-cabinet level meetings in Pristina, Kosovo; Durres, Albania; Alt Madlitz, Germany; Budva, Montenegro; and Berlin, Germany.

We would like to express our gratitude to the German Federal Foreign Office, without whose financial support through the means of the Stability Pact for Southeast Europe this project would not have been possible. Moreover, we would like to thank the Ministries of Foreign Affairs of Albania, Kosovo, and Montenegro for their hospitality when co-hosting the conferences in their respective countries, all participants over the past two years, who have so actively contributed to the success of the project, and, in particular, all authors of conference papers, which have provided substantial incentives for discussion, and often suggested constructive solutions. Finally, we would like to thank Charles King Mallory IV, former Executive Director of the Aspen Institute Germany, David Jackson and Rebekka Friedman for their contributions to this publication.

We hope you enjoy reading the conference papers and proceedings and look forward to continuing our commitment to the Western Balkans,

Rüdiger Lentz
Executive Director
Aspen Institute Germany

Valeska Esch
Senior Program Officer
Aspen Southeast Europe Program

MISSION

THE MISSION OF THE ASPEN INSTITUTE IS TO IMPROVE THE QUALITY OF LEADERSHIP THROUGH DIALOG. OVER ITS FORTY YEAR HISTORY THE ASPEN INSTITUTE HAS BEEN DEVOTED TO ADVANCING VALUES-BASED LEADERSHIP TO MEETING THE CHALLENGES FACING ORGANIZATIONS AND GOVERNMENTS AT ALL LEVELS.

It all began on August 28, 1949, when 2,000 guests celebrated Johann Wolfgang von Goethe's birthday in Aspen Colorado. One year later, the German immigrant Walter Paepcke founded the original Aspen Institute

A U.S. entrepreneur and German immigrant Walter Paepcke (1896-1960) founded The Aspen Institute in 1950 in Aspen, Colorado, after he had been inspired by Mortimer Adler's seminar on the classics of philosophy at the University of Chicago.

Paepcke had visited the collapsing mining town of Aspen in Colorado's Roaring Fork valley in 1945. Inspired by its natural beauty, Paepcke became convinced that Aspen could be converted into a place where leaders could meet in retreat from their daily toil.

To realize this vision, in 1949 Paepcke organized a celebration of Johann Wolfgang von Goethe's 200th birthday in Aspen, Colorado. Over two thousand guests took part. Amongst others, Albert Schweitzer, Jose Ortega y Gasset, Thornton Wilder and Arthur Rubinstein attended. Paepcke founded The Aspen Institute one year later.

Paepcke wanted to create a forum at which "the human spirit could blossom" amidst the storms of modernization. He hoped that the institute would help leaders reorient themselves towards eternal truths and ethical values in the daily management of their business.

Inspired by Mortimer Adler's seminar on the classic works of philosophy, Paepcke founded the Aspen Executive Seminar. In the 1960s and 1970s the institute broadened its program with many new programs.

Twenty-four years later, German Federal Chancellor Willy Brandt, Die Zeit publisher Countess Marion Dönhoff, German Federal President Richard von Weizsäcker and Shepard Stone founded the Aspen Institute Germany.

In 1974, German Federal Chancellor Willy Brandt, *Die Zeit* publisher Countess Marion Dönhoff, German Federal President Richard von Weizsäcker and Shepard Stone founded the Aspen Institute Germany—as the first Aspen Institute outside of the United States.

Under Stone's leadership (1974-1988), the institute made a significant contribution to achieving mutual understanding between the East and West blocs during the Cold War. Aspen was one of the few places where high-ranking East bloc and West bloc representatives were willing to meet in a neutral, respectful and confidential atmosphere in order to look for solutions to the East-West conflict together.

Under Stone's successors, the institute dedicated itself to the search for solutions to the Yugoslav conflict and other foreign and security policy issues. The Aspen Institute Germany organizes public events, and conferences and seminars with the goal of reconciliation, promoting peace, preventing conflict and advancing mutual understanding.

Today, Aspen Germany works closely together with the other eight independent Aspen Institute in order to advance universal values and values-based leadership.

Aspen offers three major program formats…

Aspen Leadership Program

For over sixty years, the Aspen institutes have been organizing multi-day retreats for top leaders in order to advance values-based leadership.

The Aspen Seminar

Established leaders from Germany, Europe and the U.S. meet for three consecutive days to deliberate together on the proper structure and role of leadership in the "good society." In a Socratic dialogue, they intensively discuss philosophical texts from Occident and Orient. The goal is to develop and apply the principles necessary for the construction of a "good society" in a manner relevant for international partnership in mastering a number of critical future international challenges.

Participants prepare for the seminar via intensive reading of excerpts from relevant classic and modern texts and deal with the following topics in the process:

• Human Nature
• Natural Law
• Freedom
• Property and Productivity
• Equality and Social Welfare

Southeast Europe Foreign Ministers' Conferences

Aspen convenes an international meeting of foreign ministers once a year. In December 2008-2012 high-ranking U.S. representatives and top politicians and officials met with Foreign Ministers from Southeast Europe at closed-door conferences. In 2010, German Federal Foreign Minister Dr. Guido Westerwelle and his Austrian counterpart Dr. Michael Spindelegger opened the conference. In 2012, Dr. Westerwelle and his Hungarian counterpart Dr. János Martonyi assumed patronage of the conference.

The Topics:

• Reconciliation in Southeast Europe
• Regional cooperation
• NATO and EU integration
• Economic development and energy security
• A stable security architecture for Southeast
  Europe

Aspen Policy Program

Aspen Policy Programs address current, complex, policy challenges faced by society. Conferences and seminars on complicated political and social developments to analyze common challenges together in confidence and develop viable solutions. The institute mediates between conflict parties with the aim of using a holistic approach to defuse or solve the most difficult challenges arising in international relations. Aspen Policy Programs comprise:

• Kickoff presentations by international experts
• Feedback and dialogue with policy makers
• Search for an international consensus
• Development and publication of constructive suggestions that can be implemented, are relevant and are of practical value to policy makers

Aspen European Strategy Forum

The Aspen European Strategy Forum is a platform for top international and transatlantic leaders from business, science, politics, diplomacy and culture, convened to discuss strategic challenges openly and in depth behind closed doors.

The Topics:

• 2008 — International State Building and Reconstruction Efforts: Experience Gained and Lessons Learned
• 2009 — Russia and the West: How to Restart a Constructive Relationship
• 2010 — The Strategic Implications of the Iranian Nuclear Program
• 2011 — Sustainable Strategies for Afghanistan and the Region beyond 2014
• 2012 — The Greater Middle East and the Transatlantic Community
• 2013 — Maritime Security and Europe

Aspen Southeast Europe Program

Aspen's Southeast Europe program convenes subcabinet level decision makers and experts from politics, diplomacy, military, civil society and academia from the USA, Germany, Southeast Europe, Russia, Turkey, and Euro-Atlantic organizations behind closed doors to discuss common challenges confidentially and in depth.

The Topics:

• A Future Security Architecture for Southeast Europe
• The Future Roles of NATO and the EU
• Euro-Atlantic Integration
• Bilateral Security Roles in Southeast Europe
• Organized Crime
• Energy Security

Aspen Public Program

Aspen's Public Program is a series of public presentations by and discussions with high-profile speakers. It offers a platform at which differing opinions can be exchanged and debated and new ideas can be introduced.

A selection of speakers from 2009-2012:

• Dr. Josef Ackermann, Deutsche Bank AG
• Dr. Manfred Bischoff, Daimler AG
• Dr. Klaus-Peter Müller, Commerzbank AG
• Dr. Bernd Reutersberg, E.ON Ruhrgas AG
• Dr. Dr. Hans-Werner Sinn, ifo-Institut für Wirtschaftsforschung
• Dr. Guido Westerwelle, Bundesminister des Auswärtigen,
• Roland Koch, Ministerpräsident Hessen
• Dr. Wolfgang Schäuble, Bundesminister des Innern
• Thomas de Maizière, Bundesminister
• Brigitte Zypries, Bundesminister a.D.
• Prof. Dr. Volker Perthes, Stiftung Wissenschaft und Politik
• Dr. Thilo Sarrazin
• Paul S. Atkins, U.S. Securities & Exchange Commission
• C. Boyden Gray, U.S. Ambassador to the European Union
• Elliot Abrams, Deputy U.S. National Security Advisor
• Lt. Gen (ret.) Ricardo S. Sanchez, Coalition Joint Task Force 7
• Prof. Dr. John L. Esposito, Georgetown University
• Dr. Kevin Hasett, American Enterprise Institute
• Prof. Dr. Bruce Hoffman, Georgetown University
• Evans Revere, Former Principal Deputy Assistant Secretary, U.S. Department of State
• Giulio Tremonti, Former Economic and Finance Minister of the Republic of Italy
• Dr. Jürgen Stark, former Chief Economist of and Management Board Member of the European Central Bank
• Haifa Al Kaylani, Founder and Chairman of the Arab International Women's Forum
• General (ret.) Egon Ramms, former Commander of the Allied Joint Force Command in Brunssum

Aspen Publications 2009-2012

Esch, Valeska | Kabus, Juliane | Mallory, Charles (eds.), *A Future Security Structure for Southeastern Europe (Aspen Institute Germany: Berlin 2012)* Available at www.aspeninstitute.de

Krause, Joachim | Mallory, Charles, (eds.), *The Greater Middle East and the Transatlantic Community (Aspen Institute Germany: Berlin, 2012)* Available at www.aspeninstitute.de

Krause, Joachim | Mallory, Charles, (eds.), *Sustainable Strategies for Afghanistan and the Region After 2014, (Aspen Institute Germany: Berlin, 2011)* Available at www.aspeninstitute.de

Krause, Joachim | Mallory, Charles, (eds.), *The Strategic Implications of the Iranian Nuclear Program (Routledge: London, 2011)* Available at www.amazon.com

Krause, Joachim | Mallory, Charles, (eds.), *International State Building and Reconstruction Efforts: Experience Gained and Lessons Learned (Barbara Budrich: Farmington Hills MI, 2010)* Available at www.amazon.com

Böhnke, Olaf | Azimi, Amin | Spanta, Frangis Dadfar | Zillich, Helena | Morton, Allison | Reynolds, Justin | Gottwald, Ramona | Schreer, Benjamin | Mallory, Charles, *Iran: Supporting Democratic Reformers (Aspen Institute Germany: Berlin, 2010)* Available at www.aspeninstitute.de

Krause, Joachim | Kuchins, Andrew | Rahr, Alexander | Schreer, Benjamin | Mallory, Charles, *Russia and the West: How to Restart a Constructive Relationship (Aspen Institute Germany: Berlin, 2009)* Available at www.aspeninstitute.de

Over five hundred additional academic reports published by the Aspen Institute Germany can be obtained at www.aspeninstitute.de

The Friends of the Aspen Institute exists so that the Aspen Institute Germany can continue to work independently in the future as well

Representatives of German business, science, politics, diplomacy and culture founded the Friends of the Aspen Institute (Verein der Freunde des Aspen Institut e.V.) in 1989 in order to support the mission and goals of the institute.

The institute's work can be supported via a tax deductible membership contribution to the Friends of the Aspen Institute, as a Corporate, Private or Junior member. The revenues generated in this manner cover the core operating costs of the Aspen Institute Germany. This financial support permits the institute's staff the freedom to execute the institute's mission.

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Kerstin von Schnakenburg
Peter Schnitzler
Christoph Schulte-Kaubrügger
Urs Viktor Schwerzmann
Leonardo Scimmi
Patrick Frhr. von Stauffenberg
Jürgen B. Steinke
Sergej Sumlenny
Simon Vaut
Sophie von Wedel
Cornelius Wendel
Maximilian von Wiedersperg
Sven Wingerter
Christine Wolff

FINDINGS AND RECOMMENDATIONS[1]

General

Findings

- International intervention has created stability, but not removed all underlying tensions (esp. Serbia-Kosovo, Macedonia, Bosnia and Herzegovina) and post-conflict reconciliation remains an unfinished business

- Western Balkan countries are in the midst of a difficult transition process to full-fledged democracies and market economies, though progress has been noted in recent European Commission progress reports

- Mechanisms should be developed to re-establish a Euro-Atlantic identity to get hold in the Western Balkans

- Peace in the Western Balkans requires a tolerance for multiple identities/cultivation of identities with more than one basis

- There is a lack of mobility and participation of the youth with their peers in the EU and the region

- NATO's role in the region is not primarily in terms of collective defense, but rather as guaranteeing stability and bringing the countries in the region into the 'European paradigm'

- Some politicians too often look for easy, populist solutions, placing personal or clan gain above national interest, and media reporting is often inflammatory; Policies favoring moderation and co-operation come at high domestic political cost

- Russia and Turkey are factors of influence in the region

Recommendations

- More political investment into existing structures and the Western Balkan countries' integration into existing frameworks is needed

- Continuous efforts should be made to engage young generations into regional and Euro-Atlantic exchanges

- More effort is needed to build socio-political cohesion, openly address ethnic, territorial disputes; reconciliation, fundamental rights, democratization all need to be pushed

- There is a need for a stronger focus on implementation, it is not about a lack of mechanisms, but a lack of will to implement and use them

Euro-Atlantic Integration

Findings

- EU membership is a strategic goal and the only credible alternative for the countries of the region, therefore stagnation in the process poses a security challenge to the region

- Mishandling of the potentially transformative power of the accession process plays into the hands of reform opponents in the region

- Necessary reforms ultimately cannot be delivered by the EU or NATO, the EU can only give incentives through conditionality, but there must be local ownership of the reform process

- EU membership entails giving up elements of sovereignty, as well as a strong commitment to human rights, rule of law and diversity

Recommendations

- Countries of the region should interact more with the publics of the EU member states to support a positive image of their countries

- Concrete incentives for the region are important to keep the momentum and involvement of people in the region in the accession process despite difficult reform processes

- EU should focus on practical, concrete and small steps in difficult situations rather than request solutions for large political issues

- EU needs to be patient as progress depends on internal and organic solutions and transformation processes

- The open-door policy of the EU and NATO for new members into a community should be upheld as it is an important condition for their feeling of belonging and the creation of a European identity for the SEE countries

- EU should explain reform processes better and put stronger focus on economic development in the region; as long as SEE economies are impacted by crisis, EU incentives are negligible

Regional Cooperation

Findings

- Cooperation is heavily determined by political and social dimensions; a new collaborative mindset

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[1] These findings and recommendations have been unanimously agreed upon by the participants in Aspen's Southeast Europe Working Group 2013, and were developed together for presentation.

needs to be cultivated in governments, parliaments, and communities

- Most regional challenges can be addressed through the strengthening of regional cooperation

Recommendations

- Grass root efforts such as dialog and educational exchange programs have a role to play in regional security

- Regional cooperation could build up from a set of bilateral agreements

- Existing regional fora need to become more effective, concrete, productive, and inclusive

- Regional energy and transport links and rule of law must be at the forefront of government and private sector engagement to make the region more attractive for foreign direct investment

- Individual countries in the Western Balkans should focus on smart defense; develop niche capabilities to overall operations, joint training as well as combined research and development missions will help countries collectively to save money on defense expenditures

Fighting Organized Crime and Corruption

Findings

- Global interconnectedness of organized crime still exists and affects the region heavily

- Drug trafficking is not an isolated industry, but is intertwined with prostitution and other forms of trafficking

- Corruption brings with it a significant burden for the economy, development and education

- Governance gaps in unregulated markets, weak rule of law and widespread corruption endanger the process

- Phenomenon might negatively prey on the mindset of young people and criminal activities might become socially acceptable; demographics of organized crime: high percentages of unemployed young men away from their social-cultural backgrounds

- There has been an increase in regional cooperation in fighting organized crime

Recommendations

- Fight against organized crime and corruption should be given priority

- Prioritize economic development to enhance provide legitimate sources of income for people and make illegal activities costlier through a strengthened enforcement of laws

- Raise awareness amongst the public, explain and exhort the harm that organized crime brings to society

Energy Security

Findings

- SEE states acutely dependent on outside countries for 90% of their oil and gas

- Western Balkan countries are in dire need of investments to fulfill energy needs

- Major gas pipeline projects will provide a new impetus for energy security

- The Western Balkans is currently dependent on fossil energy sources

Recommendations

- Each country should develop an energy security strategy in conjunction with its neighbors

- More interconnectors should be built; greater infrastructural connectivity could cut cost of energy by a half, could balance out unpredictable fluctuations in wind and solar energy

- Develop storage capacities, especially for renewable energies,

- Development of renewable energy sources can contribute towards improving SEE countries' energy security and independence

- Start early with expensive and difficult reforms instead of putting them off; energy reforms require long-term thinking; EU is very willing and able to provide technical advice, but reforms require domestic action

- Applying norms and standards of the Energy Community means states can basically get half way through the *acquis*

The Aspen Institute | Germany

A FUTURE SECURITY ARCHITECTURE FOR SOUTHEAST EUROPE - FRAMING THE ISSUES

June 18-21, 2012 | Pristina

In cooperation with:

MINISTRIA E PUNËVE TË JASHTME
MINISTARSTVO INOSTRANIH POSLOVA
MINISTRY OF FOREIGN AFFAIRS

Stabilitätspakt für Südosteuropa
Gefördert durch Deutschland
Stability Pact for South Eastern Europe
Sponsored by Germany

Auswärtiges Amt

Accommodation and conference venue: Swiss Diamond Hotel, Sheshi Nëna Terezë, 10 000 Pristina; conference room Artana Hall

Monday, June 18, 2012

During the day, arrival of participants, transfer to the hotel organized by the Protocol Department of the Kosovar Ministry of Foreign Affairs

19:45   Departure from the Hotel Lobby to the Welcome Dinner

20:00   Reception and Welcome Dinner at the Invitation the Kosovar Ministry of Foreign Affairs
Venue: Restaurant Renaissance

Tuesday, June 19, 2012

09:00 – 09:30   **Opening of Conference**
Keynote Speech: Atifete Jahjaga
Venue: Artana Conference Hall, Swiss Diamond Hotel

09:30 – 11:00   **Session I:**
Ethnicity and Identity in Southeast Europe – Still Factors of Insecurity?

The meeting will discuss to what extent ethnicity still plays a role as a factor of security/insecurity. This includes the question to what extent the Kosovo conflict or the dispute between Macedonia and Greece is based on identity or ethnicity and whether Bosnia and Herzegovina, Macedonia, the Preševo Valley, and Sand ak are still sources of ethnic division and instability. This session will develop ideas on how a more regional approach in Southeast Europe could put an end to ethnic and identity based thinking and what the roles of external actors should be. Moreover, it seeks to develop recommendations on what the local governments should do in order finally to overcome ethnic tensions and identity issues.

Moderator: Ian Bancroft
Speakers: Nina Caspersen, *Ethnicity and Conflict after International Recognition*
             Enver Hoxhaj, *Commentary*
             Marieluise Beck, *Commentary*
             Filip Pavlović, *Commentary*
             Christoph Lüttmann, *Commentary*

11:00 – 11:30   Coffee Break

11:30 – 13:00	**Session II:** **The Role of Non-Traditional Security Threats**

Non-traditional security threats have come to play an increasingly important role for regional and international security. The meeting will therefore discuss issues such as energy security, organized crime, and international terrorism as non-traditional security threats and develop answers to the following questions: To what extent does the issue of energy security have an impact on the establishment of a future security architecture? How does the issue of energy security affect the influence of external actors in the region? How important is the issue of organized crime? Is the fight against organized crime high enough on political agendas in the region as well as in Russia, Turkey, the EU and the U.S.? Does international terrorism have an impact on the future security architecture for Southeast Europe? Should we be worried about growing Wahhabist communities, especially in Bosnia and Herzegovina? How can these non-traditional security threats be met successfully? How can they be considered in the establishment of a regional security architecture?

Moderator:	Johanna Deimel
Speakers:	Christopher Deliso, *Emerging and Non-Traditional Security Threats in Southeast Europe: A Synopsis*
	Julijus Grubliauskas, *Commentary*
	Max-Peter Ratzel, *Commentary*
	Frank J. Teixeira, *Commentary*
	Christoph Israng, *Commentary*

13:00 – 14:00	Lunch
14:30	Departure from the Hotel Lobby to the Meetings
14:45 – 15:45	Meeting with Pieter Feith Venue: International Civilian Office
16:15 – 17:00	Meeting with Andy Sparkes Venue: EULEX Kosovo Headquarters
17:15 – 18:15	Meeting with Erhard Drews Venue: KFOR Headquarters
19:30 – 21:30	Dinner at the invitation of Christopher William Dell and Dr. Ernst Reichel Venue: Restaurant Collection

Wednesday, June 20, 2012

08:45   Departure from the Hotel Lobby to the Office of the Prime Minister

09:00 – 09:30   **Meeting with Hashim Thaçi**

10:00 – 11:30   **Session III:**
Security Priorities and Policies of Regional and External Actors

This session will discuss which regional and external actors need to be involved in the establishment of a future security architecture for Southeast Europe and security priorities that need to be considered. Discussions will include the question of how constructive the current roles of these actors are in supporting peace and stability in the region. Moreover, suggestions will be developed as to how cooperation can and should be improved and efforts streamlined.

Moderator: Charles King Mallory IV
Speakers: Mustafa Türkeş, *Transformation of the Problems in the Balkans: Cul-de-sac*
Sergey Sumlenny, *Security Priorities and Policies of Regional and External Actors*
Edith Harxhi, *Commentary*
David Burger, *Commentary*

11:30 – 12:00   Coffee Break

12:00 – 13:30   **Session IV:**
Potential Security Frameworks

The final session will discuss short-, mid- and long-term scenarios for regional security and their implications for the different actors involved with regard to joint approaches to regional security. Is it opportune to think beyond traditional frameworks such as NATO, the EU or the OSCE in search for an integrated security architecture for Southeast Europe? Considering the importance of NATO and the EU for the majority of countries in the region, how can Russia and Turkey be integrated adequately?

Moderator: Peter Eitel
Speakers: Sergei Konoplyov, *Black Sea Region: Challenge in Regional Cooperation*
Marijan Pop-Angelov, *Commentary*
Romana Vlahutin, *Commentary*
Ljiljana Janković, *Commentary*

13:30 – 14:30   Lunch

14:30   Departure for excursion in front of the hotel (guided tour through Gračanica Monastery and Prizren, dinner in a traditional restaurant)

Thursday, June 21, 2012

Departure of participants during the day, transportation to the airport by the protocol department of the Kosovar Ministry of Foreign Affairs

Bancroft, Ian

Beck, Marieluise

Burger, David

Burwitz, Bernd

Caspersen, Nina

Deimel, Johanna

Deliso, Christopher

Demjaha, Agon

Eitel, Peter

Erdogan, M. Murat

Friedman, Rebekka

Grubliauskas, Julijus

Hajrullahu, Venera

Harxhi, Edith

Hoxhaj, Enver

Israng, Christoph

Janković, Ljiljana

Kehl, Jessica Amber

Konoplyov, Sergei

Lüttmann, Christoph

Moore, Jonathan M.

Osmani, Vjosa

Pavlović, Filip

Pop-Angelov, Marijan

Ratzel, Max-Peter

Selimi, Petrit

Sumlenny, Sergey

Teixeira, Frank J.

Türkeş, Mustafa

Tusheva, Marinela

Vlahutin, Romana

Vorgučić, Isak

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Mallory IV, Charles King
Executive Director

Esch, Valeska
Senior Program Officer

Kabus, Juliane
Program Assistant

PARTICIPANT BIOGRAPHIES

Ian Bancroft

Ian Bancroft is co-founder and executive director of TransConflict, an organization undertaking conflict transformation projects and research. He regularly writes for *The Guardian*, *UN Global Experts* and *Business New Europe* on Western Balkan affairs, focusing primarily on Serbia, Kosovo and Bosnia and Herzegovina, and has provided analysis and insight to a variety of media outlets, including the BBC, Radio Free Europe and Voice of America. Ian has delivered trainings on conflict sensitivity to UN staff in south Serbia, taught a course on south Serbia at Singidunum University's Center for Comparative Conflict Studies (CFCCS) in Belgrade and was part of a UN-funded research team exploring the drivers of conflict in south Serbia. Ian has spoken at a number of international conferences on a range of topics related to peace building in post-war contexts. Ian was previously employed as a consultant to the Democratization Department of the OSCE Mission to Bosnia-Herzegovina, where he worked on strengthening local governance and civil society. He completed his undergraduate and post-graduate studies at the London School of Economics (LSE), focusing primarily on democracy and democratization, particularly in deeply divided societies.

Marieluise Beck

Marieluise Beck studied German, history and sociology and subsequently worked as a secondary school teacher. In 1983 she was elected to the German *Bundestag*. In this first electoral term in which the Greens were represented in Parliament she was one of the spokespersons of the parliamentary group. Except for a legislative term from 1991 to 1994 as a Member of the Parliament of the Free Hanseatic City of Bremen she has been a Member of the German *Bundestag* ever since. Starting in 1998 Marieluise Beck was appointed as the "Federal Government Commissioner for Foreigners' Issues". She continued this work from 2002 until 2005 – now with the title "Federal Government Commissioner for Migration, Refugees and Integration" – and additionally assumed the office of a Parliamentary State Secretary in the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth. In 2005 Marieluise Beck became a member of the Committee on Foreign Affairs of the German *Bundestag*. As the spokesperson on Eastern European affairs for the green parliamentary group Ms. Beck has focused on matters concerning Russia, Belarus and the Western Balkans. She serves as the chairperson of the Parliamentary Group Bosnia and Herzegovina of the German *Bundestag* and is a Member of the Parliamentary Assemblies of the Council of Europe and the OSCE. Since the early 1990s, Marieluise Beck has been actively concerned with human rights issues. She helped to launch the initiative "Bridge of Hope", an aid agency for Bosnia and Herzegovina, which arranged for innumerable consignments of aid to be taken to war-torn areas. For this work Marieluise Beck was awarded the Order of Merit of the Federal Republic of Germany and was made an honorary citizen of the Bosnian municipality of Lukavac.

David Burger

David Burger is Acting Director for South-Central European Affairs at the U.S. Department of State, responsible for U.S. relations with Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, and Serbia. He joined the Foreign Service in 1993, with postings in Pakistan, Singapore, Washington, Helsinki, Ankara (where he covered Iraq-Turkey issues), and most recently as Political-Economic Chief in Skopje, Macedonia. He is a four-time recipient of the Department's Superior Honor Award. He lives near Washington, D.C. with his wife Carmel and their three children.

Bernd Burwitz

Bernd Burwitz, is currently the Head of the Political Office of EULEX, Kosovo. Since his first deployment to Bosnia and Herzegovina (BiH) in 1997, he has worked in different capacities. Previously he was based with the OSCE Mission in Kosovo, CSSP Project of Integrative Mediation, United Nations Office for Project Services (UNOPS)/Joint Electoral Management Body (JEMB) Afghanistan, Office of the High Representative (OHR), Bosnia and Herzegovina, and the OSCE Mission to BiH. Before working in international missions he started his professional career in the marketing service industry. He holds a European Master in Politics and Policy from Katholieke Universiteit Leuven, Belgium; a Master's Degree in Conflict Resolution from the University of Bradford, England; and a BA in Communication from Napier University, Edinburgh, Scotland. (Photo Source: Institute for International Law and Justice, New York University School of Law)

Nina Caspersen

Dr. Nina Caspersen (PhD, LSE) specializes in the dynamics of intra-state conflicts, strategies for conflict resolution, and the politics of unrecognized states. Her research is primarily focused on the Balkans and the Caucasus but it also draws on wider empirical examples and has more general implications. She is the author of two monographs: *Unrecognized States: The Struggle for Sovereignty in the Modern International system* (Cambridge: Polity 2012) and *Contested Nationalism: Serb Elite Rivalry in Croatia and Bosnia in the 1990s* (Oxford: Berghahn, 2010). Her articles have appeared in leading journals such as the *Journal of Peace Research, Survival, Nations and Nationalism* and *Europe-Asia Studies.* Nina Caspersen is currently Lecturer in Peace and Conflict Studies at Lancaster University.

Johanna Deimel

Johanna Deimel has been Deputy Director of the Southeast Europe Association (Suedosteuropa-Gesellschaft, SOG) in Munich since 1998 from where she was on temporary leave of absence (February 2008 - March 2010). In 1997, she received her Dr. rer. pol. in Political Sciences, Slavonic Studies and Economics from the Ludwig-Maximilians-University in Munich. At the SOG she organizes high level and policy-oriented international conferences on Balkan issues and on the Black Sea region. She is specialized in European Union politics and strategies towards Southeast Europe and the Black Sea region. From February until October 2008 she served as Executive Officer / Chief of Staff at the International Civilian Office in Kosovo. She is an expert on projects related to Kosovo of various organizations. At the end of 2009 she was Senior Expert for InWent and its Kosovo program. Publications include: *The Balkan Prism. A Retrospective by Policy-Makers and Analysts* (co-edited with Wim van Meurs), Munich 2007; *Kosovo 2009: Uncertain Future* (together with Armando Garcia Schmidt), Spotlight Europe 2009/01, Bertelsmann Foundation. *Bertelsmann Transformation Index* Bulgaria 2006 and 2008.

Chris Deliso

Chris Deliso is an American analyst, author and journalist who has been working continuously from the Balkans for over a decade. He is the director of Balkanalysis.com, an independent provider of analysis and news pertaining to Southeast Europe across a variety of sectors, with contributors from the region. Chris has written widely on topics ranging from security, politics and economy to culture, history and tourism. Since 2004, he has served as the Economist Intelligence Unit's Macedonian politics section author and he has also contributed to specialist publications such as Jane's Intelligence Analyst and Jane's Islamic Affairs Analyst, as well as publishing numerous articles on the region for U.S. newspapers and magazines. In conducting his on-the-ground research, Chris regularly interacts with informed persons ranging from high-ranking diplomatic and security officials to the Balkan 'man on the street.' He has made presentations on regional security issues for U.S. bodies such as the National Intelligence Council, Bureau of Intelligence and Research, Global Futures Forum and Intelligence Advanced Research Projects Activity (IARPA). He has also participated in several regional security-related forums at universities and organized events in Italy, Great Britain, Macedonia, Greece, Bulgaria and Romania over the past few years. He has also taken part in previous Aspen conferences on the Western Balkans. Chris originally became acquainted with the Southeast European region while pursuing an MPhil with Distinction in Byzantine Studies from Oxford University, and has lived in Greece, Turkey and Macedonia. He also speaks Greek and Macedonian.

Christopher Dell

Christopher William Dell has been the U.S. Ambassador to the Republic of Kosovo since July 2009. Previously, he served as Deputy Chief of Mission at U.S. Embassy Kabul, as the Ambassador to the Republic of Zimbabwe and as the U.S. Ambassador to the Republic of Angola. A career member of the Senior Foreign Service, Ambassador Dell also served *inter alia* as the Chief of Mission, U.S. Office, Pristina, Kosovo from 2000 to 2001. In addition, Ambassador Dell served as Special Assistant to the Under Secretary for International Security Affairs from 1989 to 1991 and as Executive Assistant to the Special Negotiator for Greek Bases Agreement, Bureau of European and Canadian Affairs from 1987 to 1989. Ambassador Dell has received numerous awards, including the Presidential Distinguished Service Award in 2004. In 2000, the President of Bulgaria granted Ambassador Dell the Order of the Madara Horseman, First Degree. He also received a Kellett Fellowship from Columbia University (for study at Oxford University) in 1978. Ambassador Dell graduated in 1980 from Balliol College, Oxford University, where he earned an M.Phil. degree in international relations. He received his BA in 1978 from Columbia College, Columbia University, from which he was graduated *magna cum laude* and *Phi Beta Kappa.* He is fluent in Spanish, Portuguese, and Bulgarian. (Source: http://pristina.usembassy.gov/ambassador_dell.html)

Agon Demjaha

Agon Demjaha holds a BSc and MSc from the University of Prishtina as well as an MA in "International Relations and European Studies" from the Central European University in Budapest. Currently he is a PhD candidate at the University of Skopje in the field of International Relations. During 2006 - 2010, he served as the Ambassador of the Republic of Macedonia to the Kingdom of Sweden as well as a non-resident Ambassador to the Kingdom of Norway and the Republic of Finland. Mr. Demjaha is currently engaged as an advisor to the Minister of Foreign Affairs of the Republic of Kosovo. Mr. Demjaha's main interest lies in the field of ethnic relations, conflict prevention and resolution and he also has a broad interest in studies of nationalism and state building.

Peter Eitel

Peter Eitel is Chief Operating Officer (COO) of the German Institute for Democracy, Development and Security (DIDES) an advisory think tank with offices in Berlin, Brussels, Hamburg and Munich. His work focuses on the strategic and operational transformation of the security sector. Mr. Eitel is a Fellow of the Institute of Strategic Future Analyses of the Carl-Friedrich-von Weizsäcker Society. He holds a BA in History and Political Science and an MSc in Global Security from Cranfield University/Defence Academy of the United Kingdom. He lived and worked in Central America and Africa, where he developed his interest in non-traditional security threats.

M. Murat Erdoğan

Assoc. Prof. Dr. M. Murat Erdoğan is Director of the Hacettepe University Migration and Politics Research Centre, Vice Director of the European Union Research Center and Advisor to the Rector of Hacettepe University. He received his undergraduate degree from Ankara University, Faculty of Political Sciences, Department of Politics and Public Administration, and holds an MA in Political Science from the Ankara University Institute of Social Sciences. Mr. Erdoğan received his PhD degree from Ankara University and Bonn University in political science with the dissertation "Turkey-EU Relationship after the Cold War: 1990-2005". He was scholar of the Konrad Adenauer Foundation (1994-1998) and a "Junior Fellow" at the Center for European Integration at the University of Bonn in Germany (1998-2000). Later he worked for the Press Department of the Turkish Embassy in Berlin (2001-2003). In 2004 he became a Lecturer at Hacettepe University, Department of Political Science and Public Administration, Faculty of Economics and Administrative Sciences in Ankara-Turkey. Since 2010 he has been Associate Professor. His fields of interest are the EU-Turkey Relationship, Turkish Migrants in Europe, Turkish Domestic and Foreign Policy, EU, Europeanization, Germany, Migration, Islamophobia, European Public Opinion and Political Cartoons. He has published four books and several articles. His latest books are "*Turks Abroad: Migration and Integration in its 50th Year*" (Ed.) and "*50 Years 50 Cartoons: Turks in the German Cartoons*".

Rebekka Friedman

Rebekka Friedman is a PhD Candidate in the International Relations Department at the London School of Economics and Political Science. Her research examines conflict and peace processes, transitional justice, and reconciliation in post-conflict societies. She has carried out primary research on Truth and Reconciliation Commissions and restorative justice in Sierra Leone and Peru. She is also interested in conflict transformation in the Balkans. For the past two summers, Ms. Friedman has taught in the summer peacebuilding program at the American University in Kosovo. Ms. Friedman currently teaches undergraduate seminars in the LSE International Relations Department and works as a tutor in the Oxford University Foreign Service Program. She has previously served as an editor of the "*Millennium: Journal of International Studies*".

Julijus Grubliauskas

Mr. Julijus Grubliauskas is a staff officer at NATO Headquarters (Brussels). Currently, he works in the Energy Security Section, which is part of NATO Emerging Security Challenges Division. His responsibilities include conducting energy security analysis and developing NATO's role in the field of energy security. Previously he worked in the NATO Political Affairs and Security Policy Division, where he focused on defense economics and economic security. Prior to joining NATO's international staff in 2009, Mr. Julijus Grubliauskas worked as an energy security analyst at the Lithuanian Intelligence Service (2006-2009), conducted research and lectured at Vilnius University (2007-2008), and wrote articles on international relations and energy security for the Centre for Geopolitical Studies (2005-2006). A Lithuanian citizen, Mr. Julijus Grubliauskas received BA and MA degrees in International Relations and Political Science from Vilnius University. His bachelor's and master's theses focused on energy and international relations in Central and Eastern Europe.

Venera Hajrullahu

Venera Hajrullahu is the Executive Director of the Kosovar Civil Society Foundation. Prior to that, she was Director of the European Integration Processes Office in the Office of the Prime Minister, then Advisor to the Prime Minister of Kosovo on European Affairs and lately also Special Advisor to the President of Kosovo on European Affairs. She was Chair of the Experts Group for the Strategy of Public Administration Reform, Kosovo representative in the Steering Committee of the Regional School of Public Administration and Member of the Council of the Independent Media Commission of Kosovo. Recently, she was elected Chair of the Board of the Balkan Civil Society Development Network. Graduated in French Language and Literature, she also studied European Affairs at the European Institute of the University of Geneva and completed Executive Education on Strategic Management for Leaders of Non-Governmental Organizations at the Harvard Kennedy School.

Edith Harxhi

Edith Harxhi is currently Deputy Minister of Foreign Affairs of the Republic of Albania. She covers multilateral diplomacy, the Kosovo issue and regional affairs, international treaties, the relations of the Republic of Albania and EU integration, and management of the Albanian diplomatic corps. Before her appointment as Deputy Minister of Foreign Affairs, Ms. Harxhi worked as a diplomat at the Ministry of Foreign Affairs of Albania before assisting the Deputy Special Representative of the Secretary General (Civil Administration) UNMIK in several positions. She covered police and justice, minorities and social welfare. She established the Office for Public Safety and prepared the strategy for the transfer of competencies in the security sector on behalf of the Kosovo Government. On behalf of the Deputy Special Representative of the UN Secretary General she supervised the Office of Gender Affairs at the DSRSG's Office and drafted the Gender Equality Law. Ms. Harxhi received a Masters Degree with Honors in Political Science and International Relations from the University of Edinburgh, United Kingdom. She has been actively involved in the academic debate on the question of Kosovo and the Balkan region for many years. She is currently working on the completion of her PhD thesis entitled: *"The Ethnic Conflicts and the Albanian Disorder in the Balkans"*. Ms. Harxhi is fluent in Albanian, English, Turkish and Italian and has a mid-level understanding of French.

Enver Hoxhaj

Enver Hoxhaj has been Minister of Foreign Affairs of the Republic of Kosovo since February 2011. During the negotiation process (2005-2007) led by UN Special Envoy Martti Ahtisaari, Enver Hoxhaj participated in all meetings as a member of the Kosovar delegation. As Head of the Commission for Education, Culture and Youth in the Kosovo Assembly, he acted as a strong voice for issues relating to education, youth and the modernization of Kosovo. On January 9, 2008, Enver Hoxhaj was appointed Minister of Education, Science and Technology. Enver Hoxhaj graduated in 1993 from the Faculty of History at the University of Prishtina. He continued his post-graduate studies at the University of Vienna Geisteswissenschaftliche Fakultät, studying courses in history and politics. After a long period of research between 1994 and 2000 at the Universities of Vienna, Berlin, Munich, Rome, Bologna, Florence and Paris, he successfully defended his doctoral dissertation. During his stay in Austria, he was a scientific researcher at the University of Vienna and leader of a research team on the Balkans at the Ludwig Boltzmann Institut für Menschenrechte (1996-2000). Between 2003 and 2004 he was a scientific researcher (fellow) at the London School of Economics – Center for Study of the Global Governance. He has published academic papers in English, German and Albanian about issues of ethnicity, nationalism, identity and ethnic conflict. In addition, he has given various lectures at many world universities including the University of Oxford, University College of London, Johns Hopkins University, and Columbia University. In 2006, he was appointed Associate Professor in the Department of Political Science in the Philosophy Faculty at the University of Prishtina. He is fluent in written and spoken English, German and Serbo-Croatian. He lives in Prishtina with his wife Remzie, his son Liri and his daughter Lea. (Source: Ministry of Foreign Affairs of Kosovo)

Christoph Israng

Christoph Israng is a German career diplomat and currently head of Division 212 (Central, Eastern and Southeastern Europe, Caucasus, Central Asia), Federal Chancellery, Berlin. Christoph Israng joined the German Foreign Service in 1997. Previous assignments include: several positions in the Federal Foreign Office (among others: NATO division, office of the State Secretaries), foreign policy advisor in the German *Bundestag*, head of cabinet of the Senior Deputy High Representative (Office of the High Representative (OHR), Sarajevo, Bosnia and Herzegovina). He also served at the German Consulates General in Istanbul and St. Petersburg. Prior to his diplomatic career he worked for international companies such as Lufthansa, McKinsey & Co., Dresdner Bank and Volkswagen de México. He is also a Lieutenant Colonel (res.) of the German Air Force. He holds a PhD in economic geography (Dr. rer. nat., University of Bonn) as well as degrees in business administration (Diplom-Kaufmann of WHU, The Koblenz School of Corporate Management, Koblenz; MBA of The Management School of Lancaster University, UK). He also studied at Georgetown University, Washington, D.C., Instituto Tecnológico Autónomo de México, Mexico City, and FernUniversität Hagen, Germany.

Ljiljana Janković

Ljiljana Janković is currently Director for NATO at the Ministry of Foreign Affairs and European Integration of Montenegro. Previously she served at the Mission of Montenegro to NATO in Brussels, the Bilateral Department of the Ministry of Foreign Affairs as a Counselor and as legal advisor at the Office of the National Coordinator for Combating Trafficking in Human Beings of Montenegro. Ms. Janković holds a Master of Arts in International Politics from CERIS Brussels. She has taken part in several courses for young diplomats. She is fluent in English, has a good knowledge of French and a basic understanding of Chinese. Ms. Janković also works as a child rights trainer at the NGO "Oasis".

Jessica Amber Kehl

Jessica Amber Kehl serves as the Director for Southeast Europe and Regional Affairs in the Office of the Secretary of Defense (OSD) where she is responsible for formulating, coordinating and overseeing the implementation of U.S. defense policy in the Balkans as well as a range of conventional arms control issues in Europe and Eurasia, to include the Conventional Forces in Europe Treaty, the Dayton Article IV and V agreements, Vienna Document and the Open Skies Treaty. From August 2007 until January 2009, Ms. Kehl was posted to the United Kingdom Ministry of Defence, where she was embedded on the staff of the Policy and Commitments Directorate and managed UK bilateral defense relations with Japan and South Korea. Ms. Kehl has served as a Foreign Affairs Specialist in OSD since 1999, completing assignments in the NATO/ISAF Operations Cell (March-August 2007), Eurasia Policy Office (2004-2007), Office of Missile Defense Policy (2001-2004) and the Cooperative Threat Reduction Policy Office (1999-2001). Ms. Kehl holds an MS in Foreign Policy and International Security, awarded with Distinction from Georgetown University's Edmund A. Walsh School of Foreign Service and she graduated from Smith College with a BA (*magna cum laude*) in Government and International Relations. She joined the Department as a Presidential Management Fellow in 1997.

Sergei Konoplyov

Sergei Konoplyov is the Director of the Harvard Black Sea Security Program and U.S.-Russia Security Program. He served as Acting Director of the Eurasia Foundation on Ukraine, Belarus and Moldova in 1994-1996. A former officer of the Soviet Armed Forces, Sergei has served in several military missions in Africa, Latin America and Central Asia. A graduate of the Moscow Military Institute, he also holds a degree from Kyrgyz University in Journalism (*cum laude*) and a Master degree in Public Administration from the Kennedy School of Government. Since 1998 he has been a member of the International Institute of Strategic Studies (London). He was also a NATO Fellow in 2000 and received his PhD at the Kiev Institute for International Relations. Since 2000, Sergei has served as Assistant to the Head of the National Security Committee of the Ukrainian Parliament. Sergei Konoplyov has received awards from Ministers of Defense of Armenia, Azerbaijan, Bulgaria, Georgia, Moldova, Romania and Ukraine.

Christoph Lüttmann

Christoph Lüttmann is the Head of Project Management and Mediator for Kosovo at CSSP – Berlin Center for Integrative Mediation. The organization is a non-profit service provider in the field of conflict management and was originally founded with a mandate from the German *Bundestag* to draw lessons from the ten years work of the International Mediator in Bosnia and Herzegovina Prof. Dr. Schwarz-Schilling. The activities seek to support local leaders in resolving their inter-community conflicts and are mainly focused on the Western Balkans, but also Northern Africa and selected Asian countries. Mr. Lüttmann is a certified mediator with a background in conflict prevention and peacebuilding. He previously worked for the United Nations Secretariat, the "Research Center 700 - Governance in Limited Statehood" and the Center for International Peace Operations (ZIF) in Berlin.

Jonathan Moore

Jonathan Moore has been the U.S. Deputy Chief of Mission in Bosnia and Herzegovina since August 2009, and has been assigned to be the Director of the U.S. State Department's Office of South Central European Affairs as of August 2012. Mr. Moore became a U.S. diplomat in 1990 and was assigned to the U.S. Embassy in Belgrade in 1991. He was a desk officer for the former Yugoslavia in the U.S. Department of State from 1993 to 1995, and was the Political/Economic Section Chief of the U.S. Embassy in Vilnius, Lithuania from 1995 to 1999. He also worked as the Executive Assistant to the Head of the OSCE Mission in Bosnia and Herzegovina for the 1996 elections. After an assignment in the Policy Office of Speaker of the House Dennis Hastert, Mr. Moore was the Deputy Director of the U.S. Department of State's Office of Russian Affairs from 2000 until 2002, serving as that office's Acting Director in early 2002. He worked as U.S. Deputy Chief of Mission in Windhoek, Namibia from 2002 to 2005. Mr. Moore was a National Security Affairs Fellow at Stanford University's Hoover Institution prior to serving as U.S. Deputy Chief of Mission in Minsk, Belarus. He was the U.S. *Chargé d'Affaires a.i.* in Belarus from March 2008 until July 2009. Mr. Moore received a BA in International Studies from The American University, and an MA in Russian and East European Studies from George Washington University. He has received a Distinguished Honor Award and several Superior and Meritorious Honor Awards from the U.S. Department of State, two language proficiency awards from the American Foreign Service Association, and has been decorated with the Lithuanian Orders of Merit and Grand Duke Gediminas. Mr. Moore speaks Bosnian/Croatian/Serbian, Lithuanian, Russian, German, and Danish.

Vjosa Osmani

Vjosa Osmani, MP, is a trained lawyer both in Kosovo and the United States. She served as Chief-of-Staff and Senior Advisor for Legal and International Affairs to the President of the Republic of Kosovo for almost five years. In this capacity, she was the President's representative in the Constitutional Commission, which drafted the first Constitution of the Republic of Kosovo, as well as his representative at the National Security Council and a number of working groups that drafted the key legislation of the Republic of Kosovo. She teaches international law at the University of Prishtina and the American University in Kosovo and has also taught "State-building and the Law" as a Visiting Professor at the University of Pittsburgh. Vjosa Osmani was elected Member of Parliament (LDK) in 2011, serves on the Committee on European Integration, and is Deputy-Chair of the Committee on the Amendment of the Constitution of the Republic. She was the coordinator of the Kosovo legal team before the International Court of Justice in the case concerning the compliance with international law of Kosovo's Declaration of Independence. She has represented a number of high-ranking cases before the Constitutional Court of Kosovo.

Filip Pavlović

Filip Pavlović was one of the student leaders at the Faculty of Philosophy in Belgrade during the student protest in Belgrade between November 1996 and February 1997. Since February 1997 he has been professionally involved in different inter-ethnic dialogue initiatives (mainly Albanian-Serb dialogue); attended and organized numerous international, regional and local conferences, trainings and seminars on various topics such as: SEE regional cooperation and Stability Pact, Serbia-Kosovo Civil Forum, Confidence Building Measures, Conflict Transformation, New Concepts of Security. Articles and research papers produced from 1997 until today were published in different books and publications such as: Mother Jones (USA), Juventas (Montenegro), Album (Bosnia), Searching for Peace (book, NL), and many more. As a founder of the NGO Fractal (www.ngofractal.org) that emerged as a grass-root, professional initiative of young activists, he was directly involved and responsible in all phases of the organization's development. The NGO Fractal has grown since 2001 and today it demonstrates the potential of grass-roots initiatives to change patterns across society as well as that creativity and collaboration are tremendous forces of change. In the NGO Fractal, Mr. Pavlović has been personally and professionally inspired to dedicate time and effort to develop leadership qualities in young people and support them in being active agents of change, making a positive impact through community activism and service. As an activist and social entrepreneur Mr. Pavlović is still deeply committed to research and development of innovative programs, and approaches to transform social, and community problems, and challenges into development, and democratization opportunities.

Marijan Pop-Angelov

Marijan Pop-Angelov is currently Deputy Head of the Division for Political Security Cooperation and Multilateral Affairs at the Ministry of Foreign Affairs of the Republic of Macedonia. In this position he is engaged in management, participation and policy advice on international and regional security cooperation. He coordinates *inter alia* political-security cooperation in SEE/the Balkans, on a multilateral (U.S.-Adriatic Charter, SEEGROUP, SEECP, SEDM) and bilateral level, sharing experience and advice; initiating projects for inter-ethnic tolerance and cooperation. Previously Mr. Pop-Angelov served as Counselor for Political Affairs at the Embassy of the Republic of Macedonia in Washington, D.C. He also served as Deputy Head of Division for Collective Security Systems in the Ministry for Foreign Affairs and as First Secretary at the Macedonian Mission to NATO in Brussels. Mr. Pop-Angelov received a diploma in Political Science from the University of Saints Cyril and Methodius and a Master's Degree in International Relations from Georgetown University. He is fluent in English, Macedonian, Serbian and Croatian, with an intermediate level at Greek and beginners level at French. (Image Source: NATO.int)

Max-Peter Ratzel

Max-Peter Ratzel works as an advisor and lecturer to private companies and public institutions. From 2005 to 2009 he was Director of Europol in The Hague. Previously he served at the German Federal Criminal Police (BKA) on a career path from Inspector level to top management positions. As Head of Department he worked on counteracting international organized crime with a staff of up to 950 people. Before starting his own consulting firm he was Operative Coordinator at the German Foundation for International Cooperation (GIZ) for the project "Fight Against Illicit Trafficking from/to Afghanistan", a multilateral project based in Berlin and Teheran, financially sponsored by the EU. Mr. Ratzel holds a Diploma in Public Administration and has extensive experience in security and police matters.

Ernst Reichel

Ambassador Dr. Ernst Reichel has been the German Ambassador to Kosovo since July 2011. A career diplomat, Ambassador Reichel joined the German Foreign Service in 1988, serving *inter alia* in New York at the German mission to the United Nations, as Deputy Head of the Division for EU-Policy and as Deputy Chief of Cabinet for the NATO Secretary General. Most recently, Ambassador Reichel served as Head of Division for Russia, Ukraine, Belarus, Moldavia and Eastern Partnership. Before entering the Foreign Service, Ambassador Reichel studied law and received a doctoral degree from the University of Bonn. He was born in Lagos, Nigeria, is married and has two daughters. (Source: German Embassy Pristina)

Petrit Selimi

Petrit Selimi was appointed Deputy Minister of Foreign Affairs of the Republic of Kosovo in June 2011. Before joining the MFA, Selimi was a candidate for an MP seat for the PDK during the 2010 National Elections. Prior to this, from 2006 to 2010, he worked as a private public relations and political risk consultant, providing advice for companies and institutions such as IPKO, Telenor ASA, the Norwegian Ministry of Foreign Affairs, RWE AG, Raiffeisen Investment, Lazard, etc. From 2005-2006 Selimi was one of the founders and the first Executive Director of the *Express*, an independent daily published in Prishtina. He joined *Express* after working as communications and media advisor initially for IPKO.org (2000-2003) and then for the OSCE Mission in Kosovo (2003-2004). Selimi was active as a children's and youth rights activist, being one of the founders of the Postpessimists, the first network of youth NGO's in the former Yugoslavia (1992-1998). They won a UN Peace and Tolerance Award. He has in recent years served on the Board of Directors of the Soros Foundation in Kosovo, and Martti Ahtisaari's Balkan Children and Youth Foundation. He is fluent in Albanian, English, Norwegian and Serbian. Selimi holds a BA in Social Anthropology from the University of Oslo, and is graduating as MSc in Media and Communications from the London School of Economics, as a recipient of a Chevening Scholarship. (Source: Ministry of Foreign Affairs of Kosovo)

Sergej Sumlenny

Sergej Sumlenny is Germany correspondent for the leading Russian economic magazine "*Expert*". He worked as producer at the Moscow bureau of the German TV and radio station ARD, and as editor-in-chief at the daily news show "World Business" at Russian economic broadcaster RBC-TV. In 2006, as Germany correspondent of "Expert", Sumlenny has won a German Peter-Boenisch-Prize. Sumlenny is the author of the book "*Nemetskaya sistema*" (The German system) − a study about the inner structure of the German society. In 2010, the book became a bestseller among Russian non-fiction books. Born in 1980, Sergej Sumlenny studied at Moscow Lomonosov University and holds a PhD degree in political sciences from the Russian Academy of Sciences. He lives in Berlin with his wife and two children.

Frank J. Teixeira

Mr. Teixeira began his career with the FBI in August of 1999. Upon graduation from the FBI Academy, Special Agent Teixeira was assigned to the San Diego Division where he was a member of the Safe Streets Task Force and investigated numerous criminal violations to include counterterrorism, domestic terrorism, drug trafficking, and violent crime. In December 2005, Mr. Teixeira was promoted to FBI headquarters as a Supervisory Special Agent in the Office of International Operations. In May 2007, he was promoted to Chief of the Europe Division and had managerial responsibility for the FBI's European Legal Attaché Offices. In June 2008, Mr. Teixeira became the FBI's Senior Detailee to the U.S. Department of Justice's Office of International Affairs. In June 2009, Mr. Teixeira became the FBI Director's personal representative in the Balkan Region when he was appointed as Legal Attaché (Legat) Sarajevo and assumed responsibility for all FBI activities in Bosnia-Herzegovina, Kosovo, Montenegro, and Serbia. As Legal Attaché, Mr. Teixeira also serves as an advisor to the U.S. ambassador on rule of law issues. During his tenure in Sarajevo, Legat Teixeira has fostered strong, effective partnerships between the FBI and the various Balkan law enforcement, intelligence, and justice agencies within the region, coordinating joint efforts to combat international terrorism and other significant transnational security threats. These coordinated efforts, during multiple independent investigations, led to the arrest or conviction of dozens of individuals for a wide array of criminal offenses that include terrorism, murder, cyber crimes, war crimes, and other transnational matters. In July 2012, Legat Teixeira will transfer to U.S. Embassy Ankara and serve as the FBI's Legal Attaché to Turkey.

Mustafa Türkeş

Prof. Dr. Mustafa Türkeş is currently a professor at the Department of International Relations of the Middle East Technical University in Ankara, Turkey where he das been working for the past 18 years. Prof. Türkeş has published a book on the Cadre movement, edited two books on Turkey's foreign relations and published numerous articles on security politics in the region and Turkey's foreign policy as well as participated in various conferences and organized several workshops. Prof. Türkeş holds a BA from Hacettepe University in Ankara, an Mphil and a PhD from the University of Manchester. He received two scholarships from the Turkish Ministry of Education. (Image source: Source METU-University)

Marinela Tusheva

Marinela Tusheva is a member of the Macedonian Parliament. In parliament, she serves as Deputy Chair of the Committee on Culture and the Inter-Community Relations Committee. Ms Tusheva is a member of the Committee on European Issues and the Foreign Policy Committee. Further, she belongs to the Delegation of the Assembly to the Parliamentary Committee for Stabilization and Association and the Parliamentary Group of the Assembly for cooperation with the Parliaments of Middle East Countries. Before serving in the Macedonian Parliament, Ms. Tusheva was a Professor for Primary Teaching. She holds a Master's Degree in International Politics and is fluent in English.

Romana Vlahutin

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A FUTURE SECURITY ARCHITECTURE FOR SOUTHEAST EUROPE: FRAMING THE ISSUES

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The Aspen Institute Germany held a conference from June 18-21, 2012 in Pristina, Kosovo, entitled, "A Future Security Architecture for Southeast Europe: Framing the Issues." The conference brought together thirty-five decision makers from the Western Balkans, Germany, the United States, and Turkey, with professional backgrounds in government, the foreign service, the security sector, academia, the media, non-governmental organizations and civil society, and the private sector.

Security is of paramount importance in the Balkans, where the outbreak of violence in the 1990s reflects a longer history of conflict across the region. While, for some observers, intermarriage rates and coexistence in the 1980s gave little indication of coming ethnic violence, the conference also highlighted the conflict's historical antecedents and international drivers. Echoes of Ottoman and Austro-Hungarian imperial competition and East-West Cold War rivalries continue to reverberate, while pan-ethnic and religious identities, particularly, Pan-Slavism, have reemerged since the end of Communist rule.

The Aspen conference examined the progress and challenges facing regional security in the Balkans. European and Balkan security interests remain closely intertwined. The Balkan region played an important role in both world wars and today new security threats have emerged. Organized crime is on the rise and embedded in a complex transnational network. Ethnic tensions and politics continue in some areas, particularly, in the North of Kosovo, where the status of the Serb community remains uncertain. Energy security, terrorism, and challenges arising out of the region's relationships with external actors, notably Russia, were also discussed. These trends test the progress made by both domestic and international leadership.

The international community is reassessing its role in the region. The EU is in a weak state, and its sixteen-year international presence in the Balkans has led to disillusion among member states. The EU increasingly faces simultaneous pressures to pull out and to complete its mandates. Continuing international presence also puts into question the sovereignty and independence of states in the region, particularly Kosovo, as the world's second newest country. Continued collaboration between international and domestic actors in the region is vital, yet regional actors are expected to assume a primary role. Long-term regional security requires political will and concrete steps by domestic actors towards regional integration.

Session I: Ethnicity and Identity in Southeast Europe

The first session discussed the extent to which ethnicity still presents a regional security challenge. Economic

turmoil tests the social fabric of society, yet in the Balkans, ethnicity, rather than class or income, provides the primary fault line.

Since the 1990s, progress has been achieved. Following many of the provisions of the Ahtisaari Plan, the constitution of Kosovo provides safeguards against discrimination and its parliament sets out minority allocations in government. The present situation is distinct from the pre-war context. Democratic regime change, international involvement, and EU admission have resulted in less intervention by states in each other's internal politics.

At the same time, ethnic tensions have increased in some areas. Politicians look for easy, populist solutions, placing personal or clan gain above national interest, and media circulations are often inflammatory. In Macedonia, cultural antiquation projects leave little space for minorities. Importantly, numerous participants highlighted the tension between institutional and technical provisions versus concrete realities on the ground, particularly the lack of integration of Serbs in Northern Kosovo. A dual sovereignty system has become entrenched in the North, where the government of Serbia provides health and education, while local strongmen remain in power and the population lives in fear and is vulnerable to intimidation.

Regional security is at a crossroads. While empirical research finds that democracy has a stabilizing effect, democratization can increase conflict during the initial stage. International recognition can create new conflicts over borders and minority status. International intervention has created stability, but there was wide agreement among participants that it has not *transformed* the underlying conditions of conflict.

One obstacle is the lack of transitional justice. Speakers pointed out that the region lacks a narrative free of ethnic politics and a process to address past wrongs. Critical self-reflection is limited and there is a general lack of acknowledgment of crimes committed and the suffering of others, notably of the Srebrenica massacre. This trickles down to the next generation, where history textbooks remain nationalist.

The question of how to move forward generated particular debate. At the micro level, it was suggested that exchange, particularly between civil societies, could play a crucial role. Participants stressed innovation and unregulated platforms, such as social media. Ethnicity is just one marker of identity, while other identifications, such as gender, and age (especially youth exchanges) can bridge ethnic divides and create tolerance under "winning coalitions." A counterview was expressed that violence broke out in the former Yugoslavia *despite* the presence of interest groups and shared cultural and social practices. Indeed, violence was worst in regions with the highest coexistence and intermarriage rates, notably Bosnia and Herzegovina. Transformation requires a long (and likely slow) process of institutional and political stabilization.

Nineteenth century European state-building is only now coming to the Balkans. As put by one speaker, "state time is not comparable to human time."

Many observers point out that nation- and state-building require external support, yet this process is not straightforward. The carrot of EU integration has not always altered the policies of Balkan states. Multilateralism and the lack of a unified EU stance have increased confusion and lessened accountability. One speaker noted a lack of understanding between policymakers and personnel on the ground. It was also stressed that external support would not continue indefinitely and that Kosovo should not expect and rely on future assistance. The EU is facing its own crisis. Western populaces are weary of the lack of results and do not welcome EU enlargement. While many have argued that the EU will not accept another frozen conflict within its borders due to its experience with Cyprus, others came to the opposite conclusion. The EU's toleration of a longstanding conflict in Cyprus suggests that the EU would accept a frozen conflict between Kosovo and Serbia, and that it would not insist that they resolve points of contention before becoming member countries.

It was widely agreed that sustainable peace requires political will and strong internal backing. EU membership entails sacrifices, particularly, giving up sovereignty, as well as strong commitment to human rights, rule of law, and diversity – policies, which challenge established multicultural democracies with immigrant populations. Change will be difficult, but for many participants, is possible. Ethnic nationalists can become pragmatists and sovereignty does not need to be "zero-sum." In the words of one participant, peace in the Western Balkans requires a sense of "double citizenship" – the cultivation of identities with more than one basis.

It is interesting to note that in a session on ethnicity, ethnic identity itself played an ambiguous role. Ethnicity is likely to remain powerful, yet ethnic identities are neither static nor primordial. For one speaker, more often, radicalized identities are a consequence rather than a cause of the war, especially in integrated societies, such as Bosnia, where surveys as late as 1989 revealed high intermarriage rates and a lack of interethnic distance. For longtime visitors to the region, rather than an eruption of "ancient ethnic hatreds," this history raises a troubling question: how did the violence reach this level? Rather than look at ethnicity as a "driver" of conflict, the session concluded that conflict transformation requires deeper understanding of historical antecedents and root causes.

Session II: The Role of Nontraditional Security Threats

The second session looked at the increasing role of nontraditional security threats in regional and international security.

Radicalized political groups have arisen on the left and particularly the right, such as the Golden Dawn in Greece. Recent neo-Nazi attacks in Germany are indicative of this unexpected threat, whose scale is still uncertain.

Religion was discussed as a source of conflict between and within communities as in Serbia's majority Muslim Sandžak region, where a large share of the population is of Bosnian and Albanian descent. Speakers examined the relationship of religion and ethnicity, pointing out that religion can provide an important framework for identity irrespective of levels of observance. For some participants, religion has become a more important marker of identity since the conflict. Concerns regarding Wahhabist communities were also addressed, especially in Bosnia and Herzegovina. Speakers examined the heightened diplomatic role and involvement of Turkey in the region. Others, however, warned against the sensationalization of Islam and "clash of civilizations" theses, as well as the "neo-Ottomanization" of Turkey's interests in the region. While there is a tendency for external actors, particularly the U.S., to look for Islamic terrorist links, many agreed that such linkages exaggerate and simplify political and sentimental affiliations.

Organized crime presents a pressing challenge. Participants agreed that organized crime in the Balkans has an important ethnic element. Albanian networks were flagged as the largest hub, having grown stronger through their operation through traditional clan structures and social systems. Organized crime is also a challenge in the North of Kosovo, where Northern Serbs have grown accustomed to a double salary system from Pristina and Belgrade and profit from the porous passage of smuggled materials from Serbia into Kosovo. It is sensitive in this context to stand up to individual criminals, who are also often nationalists. A political solution, one speaker argued, whether one likes it or not, will require hearing their voices. One speaker expressed the view that the strengthening of alternative structures, particularly family and clan systems, can be seen as a rational coping mechanism in the former Yugoslavia, where people have spent centuries under foreign rule. Resistance to new institutions, especially in the rule of law, is a product of this history, where Kosovo Albanians, in particular, grew accustomed to their own parallel system, refusing to be part of the Serb institutions.

At the same time, participants stressed that crime is primarily a socio-economic phenomenon even in a context of ethnic conflict and politics. Organized crime responds to inadequate living standards and future prospects. The demographics of organized crime, particularly, among Albanian crime groups, are important: high percentages of unemployed young men away from their social-cultural backgrounds correlate with organized crime. For one speaker, frustrated expectations – the "mismatch" between reality and aspiration – leads people to search for new outlets, notably, spiritual well-being (religion) or personal wealth (organized crime). If anything, it is interesting (and sad) to note that crime is a realm where people have successfully cooperated across ethnic lines.

Some participants stressed that inadequate understanding has magnified the problem. Organized crime is often grouped together with terrorism, yet there are important distinctions. Terrorists seek visibility, while organized criminals hide their activities, terrorists seek to maximize power, while organized crime seeks monetary profit (with power as a secondary aim), and organized crime groups may not aim to challenge the state, while terrorists seek to destroy it. Existing research does not point to structural links between organized crime and terrorism, yet in other contexts, terrorists also financed themselves through organized crime, as was the case with the Tamil Tigers, the Irish Republican Army, and to some extent, the Revolutionary Armed Forces of Colombia (FARC). This finding applies less to global terrorist networks, particularly, *Al-Qaeda*.

The session discussed ways forward. Panelists highlighted the importance of cooperation and information sharing. This requires a joint identification of interest. On the one hand, international intelligence agencies prioritize terrorist threats, particularly, the FBI, which remains focused on *Al-Qaeda* (and to a secondary extent, homegrown terrorists). On the other hand, domestic governments themselves treat crime as an internal issue. Organized crime is urgent and has global implications: the annual cost of transnational organized crime is in the tens of billions and has the potential to become worse. Just as organized criminals are cooperating across ethnic lines, the international community and Balkan states must recognize their mutual interest in fighting crime and work together. Such collaboration is not new to intelligence organizations, notably the FBI, where the U.S.'s history as an immigrant country has required collaboration and intelligence sharing with European countries of ancestry to address the involvement of immigrant groups. As pointed out by one participant, from a realist perspective, progress requires the recognition that global interests are also national.

An integrated approach between actors is vital. One speaker stressed the important potential role of Turkey. Turkey could make a unique contribution to the stabilization of the region. Others pointed out that Turkey may not want to get more deeply involved in the Balkans and that Europe plays an important role. Finally, the importance of an integrated regional approach was highlighted. While NATO reiterated its commitment to finish its mandate in Kosovo, it is reassessing its priorities and cutting defense spending. NATO has shifted from military operations to broader security engagement and a greater emphasis on partnership. Balkan states are increasingly seen as security contributors (partners), rather than consumers. Non-NATO members can also contribute to security in Southeast Europe.

Finally, participants emphasized the importance of an adaptable and flexible strategy. Threats can change quickly and evolve. Europol has flagged international motorcycle gangs as a growing concern. Organized crime has become more complex as new immigrant groups, e.g. from West Africa, challenge previous monopolies. Academics can help forecast threats and identify regional hubs. According to a 2011 Europol Organised Crime Threat Assessment report, the Southeast hub has seen the greatest growth in recent years of the five organized crime hubs identified in Europe. Following the report, participants discussed the emergence of a "Balkan Axis," encompassing the Western Balkans and Southeast Europe, with a flow of human and drug trafficking via Black Sea states and an increase in illegal immigration through Greece from Turkey. Much is at stake for the Balkans, and elsewhere, as failure in the region will likely end support for external intervention.

Session III: Security Priorities and Policies of Regional and External Actors

The third session examined the involvement of regional and external actors in the establishment of a future security architecture for Southeast Europe. The session took a critical look at EU policies, which have placed new membership conditions on countries, such as Macedonia. In the view of one participant, the EU failed to provide a comprehensive integration strategy, seeking either total exclusion or rapid integration. International commitment to Kosovo was partly an attempt to rectify earlier international mistakes in the Balkans, particularly the Dayton Accords in Bosnia and the failure of international diplomacy at the Bucharest Summit.

The lack of clear strategy was also flagged, raising the question of how to define success. For some, international policies in the Balkans were always conducted with the aim to protect the Western security architecture – this determined the timing and scope of external intervention into Bosnia and Kosovo in the first place. If international actors are satisfied with a minimum level security – the absence of war and large ethnic clashes – then they have succeeded. Yet if security requires deeper transformation, the international community will have to address low living standards and unemployment.

Others took a more favorable stance. The EU crisis is not permanent and economic development depends on EU integration. The Balkan region still has an EU membership perspective. Instead, the EU needs to provide more clarity and accountability and better involve citizens. European powers should ask themselves whose interests they are serving in putting up roadblocks to Kosovo's integration. Some warned of the creation of a regional hegemon – of a greater Serbia or Albania.

The session also discussed the future status of Serbs in the North. It was shared that off the record discussions point to an international vision for a North, similar to the Republika Srpska. As pointed out by Baroness Catherine Ashton, the EU has taken a stance against partition. However, as put by one participant, this does not change the fact that there is a community in the North strongly opposed to Kosovo's statehood and independence.

Russia's non-recognition of Kosovo and emotional identification with Serbia were also identified as significant for Serb-Kosovo relations. Pan-Slavism has reemerged since the end of communism, rooted in Orthodox Christianity (often a political more than religious identity) and a historical solidarity with Serbia. Russia's staunch opposition to Kosovo's independence is also rooted in mistrust of Western regional interests. Conspiracy theories are prevalent even among government officials. Putin was proclaimed an honorary citizen in Mitrovica alongside a public discourse that Russia has done more for Northern Kosovo than Belgrade.

The session concluded by examining the important question of how to normalize relations with Russia and Serbia. As put by one participant, it may be easier to reach an agreement with Serbia than with Russia. Returning to the micro level, one speaker called for exchange, particularly, between civil society and academics. While entrenched views are harder to change, progress can be made with the younger generation who are more likely to be open.

Session IV: Potential Security Frameworks

The last session examined short-, medium-, and long-term scenarios for regional security. It paid attention to whether it was time to look for new frameworks, beyond traditional structures, such as NATO, the EU, or the OSCE in the search for an integrated security architecture for Southeast Europe.

The Balkans share characteristics with the Black Sea region. Similarities include geopolitical position – proximity to Russia and strategic importance to NATO and the EU – fragile states and regional identity questions, and a multitude of civil actors and organizations. Participants warned against the development of a "frozen conflict" in the Balkans, as in Nagorno-Karabakh. The Balkan states can learn from recent examples of cooperation in the realm of energy security in the Black Sea, such as the Turkish-led "Black Sea Harmony."

NATO integration remains critical to countries such as Montenegro. The entry of countries such as Albania into NATO has strengthened regional security and stability. Permanent regional stability must be based on the inclusion of all states.

Several participants discussed Macedonia as an example of both the potential and failed progress of EU integration. As one of the least developed areas of Yugoslavia, until 2008, Macedonia represented an important

success story of EU integration and regional coopera-tion. Much is at stake for Macedonia's membership and Macedonia would inspire other countries in the region. Participants discussed Greece's insistence on the name issue. Some participants remarked that today, Macedo-nia's integration has stalled as the EU seems to have si-lently accepted Greece's insistence on the issue. Partic-ipants asked why the EU does not use the Greek finan-cial crisis to apply some form of conditionality. One participant raised the counterview that Greece is already resisting a 180 billion Euro bailout from Germany and the EU has to prioritize its demands. The lack of condi-tionality discourages states in the region, sending con-tradictory messages that the same standards do not ap-ply to existing members.

The session concluded by evaluating ways forward. For many participants, existing security frameworks are suf-ficient. Integration is the only path and stabilizes the re-gion. It generates an (often undervalued) safety net of solidarity and trust and has long-term positive externali-ties, creating a spillover of institutional growth and co-operation. New members have a burden of proof to show their neighbors that they will keep doors open. The EU is currently acting out of weakness, yet it should have more confidence, especially in inclusion and enlargement, where its policies transform lives.

The importance of regional integration was reiterated. The region has proven a will and capacity to cooperate and respond where there is a common need. States have indicated a slow but essential emerging respect for each other's legitimate interests.

Concluding Summary

The last session concluded with a reflection on lessons learned at the conference. One speaker raised the need for more "imagination" on how to move forward. Pro-gress cannot be achieved if those in the region them-selves lack a sense of urgency and commitment to peace. Leaders in the region continue to take maximalist stances rather than pragmatic ones. In the view of sev-eral attendees, politicians live comfortably and are not interested in change, policies favoring moderation and cooperation come at high domestic political cost. Serbia expects other states to choose sides, taking a zero sum attitude.

Learning from conflict resolution in other cases, notably Northern Ireland, participants emphasized the im-portance of third party involvement. Discussions are currently underway as to who might be a neutral and acceptable third party in the Balkans. Others shared their frustration following the dissolution of previous efforts. One speaker shared insights from his personal involvement in attempts to bring about interethnic dia-logue. After a sustained process of advanced negotia-tions, progress was abruptly halted after it was leaked to the press.

Finally, economic development and capacity-building were identified as vital for peace. Social relations in other "intractable" conflicts, e.g. in Northern Ireland or Abkhazia, eased once lives improved. Kosovo Serbs are more likely to accept a future in Kosovo once Kosovo becomes a secure place to live in which citizens of all backgrounds can imagine a future.

The conference concluded by returning to an important earlier point that solutions do exist, yet they may be painful and take time. Actors should not try to force a quick or military solution in Northern Kosovo. Security transformation requires mutual understanding. The As-pen Institute provides an important platform for dia-logue and learning, and could provide a future conduit between Pristina and Belgrade.

Meetings and Receptions

The President of Kosovo, Atifete Jahjaga, welcomed participants to Kosovo and reiterated her thanks to As-pen for hosting the conference. The President reiterated Kosovo's commitment to international partnership and regional integration and reflected on Kosovo's achievements since independence – its constitution, which guarantees equal rights, and the steps taken to in-tegrate Serbs into institutional life. She identified how to deal with the legacies of war, particularly shaken trust as the largest challenge – the "unfinished business" of transition. Durable peace comes through a policy of inclusion when citizens develop a stake in each other's security and economic development.

Kosovo's Deputy Foreign Minister, Petrit Selimi, stressed the importance of overcoming stereotypes is in-tegral to create a space for more constructive debate. Aspen is critical in providing a space and several young politicians in Kosovo have come of age through the As-pen Institute.

A series of meetings was held during the second and third days of the conference. The head of the Interna-tional Civilian Office, Peter Feith, listed the steps taken to work out an exit strategy. Continuing a supervisorial role is neither appropriate nor fair to Kosovo. He reiter-ated progress made and the continued commitment to the Ahtisaari Plan. Separation would send a dangerous precedent to the rest of the region, and the international community has worked to find multiethnic solutions. Kosovo is unique in that it does not allow amendments to the constitution.

Deputy Head of EULEX Kosovo, Andy Sparkes, pro-vided a history of EULEX and its mandate to establish rule of law in Kosovo. In his assessment, Kosovo is now able to guarantee its own security. EULEX's pre-sent focus is on strengthening capacity and it has down-sized its regional offices. There is an important differ-ence between official recognition and reality on the ground. Drawing a parallel with Northern Ireland, you

cannot build peace by dealing with Brussels, Pristina, and Belgrade.

KFOR Commander Major General Erhard Drews, set out KFOR's mission according to UNSC Resolution 1244. KFOR and EULEX took over responsibility for eliminating roadblocks, yet there are still uncontrolled roads in Western Kosovo. Tensions remain between internal and external sovereignty of the North. The General called for a comprehensive strategy for Belgrade to support Northern Kosovo in a transparent matter in coordination with Pristina. The Ahtisaari plan is stigmatized and Pristina should invent a new policy and label to reassure the North, which KFOR could then back. In his assessment, the conflict cannot be solved militarily and a political settlement is needed with the north.

Participants met with the Prime Minister, Hashim Thaci, on the final day. The Prime Minister reiterated progress made to achieve international recognition for Kosovo, his commitment to international partnership and regional security, and the steps taken to improve relations with North Kosovo and prospects. While he confirmed his commitment to minority rights, he also highlighted his difficulty accepting that one ethnic group has different rights in the country. The Prime Minister shared that current discussions were underway to establish a Truth and Reconciliation Commission with Serbia, and his support of the process. In his view, citizens of Kosovo will not welcome a truth-seeking process, but it is essential to move beyond accusations and stereotypes.

Side Events

Following the model of previous Aspen conferences, the event was organized to encourage an inclusive and off-the-record atmosphere, which encouraged mutual trust and permitted guests to establish contacts and deepen their analysis outside of conference sessions. Receptions and dinners were held to allow participants to continue discussions. The first evening allowed visitors to experience a traditional Albanian dinner at a Pristina restaurant at the invitation of Minister of Foreign Affairs, Enver Hoxhaj. U.S. Ambassador, Christopher William Dell, and German Ambassador, Dr. Ernst Reichel invited participants for dinner on the second evening.

In addition to receptions and dinners, guided tours and excursions ensured a relaxed environment in which attendees could share with each other their confidential views and experiences and continue conversations informally, while enjoying Kosovo's natural beauty and learning more of its history. These excursions included a tour of the fourteenth century Gračanica Monastery, and a guided walk through the historic city of Prizren. Guests had a chance to view the city's architecture and visit some of its mosques, monasteries, and Catholic church. The excursion was followed by a reception and dinner at a traditional restaurant.

ETHNICITY AND CONFLICT AFTER INTERNATIONAL RECOGNITION

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"The war itself never really ended; it was only interrupted..." (Milan Kučan).[1]

After the horrific violence of the 1990s, Southeast Europe has in many ways been a success story: stability has largely prevailed and several states have made significant progress towards EU integration. Yet as the quote by former Slovenian President, Milan Kučan, illustrates there are still a number of observers who argue that this could just be the calm before a new storm of ethnic violence. This paper asks to what extent ethnicity is still a factor of insecurity and what this means for the risk of renewed violence or even warfare in the region.

Such a question invites comparisons with the situation that prevailed just prior to the dissolution of Yugoslavia: is ethnicity more or less important now than it was then? Despite media reports of the awakening of 'ancient ethnic hatreds', there was actually very little indication in the late 1980s that Yugoslavia was heading towards a brutal war driven by extreme nationalist ideologies. Surveys pointed to a lack of inter-ethnic distance and rates of inter-marriage were high:[2] as late as 1989, 90% of Bosnian respondents described inter-ethnic relations as 'good' or 'very good'.[3] Contrary to what is often assumed, radical nationalist leaders did also not experience a groundswell of popular support in the first multiparty elections: the Serb Democratic Party in Croatia, for example, only secured a minority of the Serb vote and the nationalist parties in Bosnia gained power on a promise of inter-ethnic partnership. While ethnicity and identity were highly significant and formed the categories through which the population viewed electoral politics,[4] radicalization came later and was crucially affected by the outbreak of violence.[5]

But, even if radicalized identities may have been more the consequence than the cause of violence, it is frequently argued that the experience of an incredibly brutal and bloody war will harden and radicalize identities and eliminate any pre-existing space for overarching loyalties.[6] Identities should not be regarded as static – even post-war[7] – but mistrust and fear are not easily overcome and are likely to have considerable staying power. This is reflected in ongoing support for national-

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1 International Crisis Group, *"Bosnia: State Institutions under Attack"* Europe Briefing N°62, 6 May 2011.

2 See V.P. Gagnon Jnr. *The Myth of Ethnic War: Serbia and Croatia in the 1990s* (Ithaca: Cornell University Press, 2004). Inter-ethnic relations in Kosovo, however, constitute an exception from this general picture.

3 See S. Malesevic, "Ethnicity and Federalism in Communist Yugoslavia and Its Successor States," in Y. Ghai (ed.) *Autonomy and Ethnicity* (Cambridge: Cambridge University Press, 2000).

4 S. Woodward, *Balkan Tragedy* (Washington DC: Brookings Institution, 1995), 124.

5 N. Caspersen, *Contested Nationalism: Serb Elite Rivalry in Croatia and Bosnia in the 1990s* (Oxford: Berghahn 2010). See also Gagnon, *The Myth of Ethnic War*.

6 C. Kaufmann, "Possible and Impossible Solutions to Ethnic Conflict," *International Security,* 1996, 20(4): 137-75.

7 S. Kalyvas, "Ethnic Defection in Civil War," *Comparative Political Studies*, 2008, 41(8): 1043-1068.

ist parties across the region, in radically different views of the war,[8] and in continuing residential segregation in places such as Bosnia and Kosovo.[9]

The pre-war situation cautions us not to attribute too much explanatory power to ethnicity, and the significance of ethnic identities - even when combined with high levels of animosity or fear - does not automatically lead to violence. The political context matters and this has crucially changed. In the late 1980s/early 1990s, the deepening conflict took place in what was still one country and the political system was one of an authoritarian regime - and later transitional regime(s). The attractiveness of the EU (or the EC as it was then) was limited, as Europe was still coming to terms with the impact of German reunification, and international intervention was hesitant and *ad hoc*, at best. Today the situation is radically different: we are now dealing with seven independent states, the political systems are (by and large) democratic, there is a strong pull of EU integration, and the international community has been heavily involved in the region for over two decades. These factors matter hugely for the risk of violent conflict but does it mean that there is no longer any risk of identity-based violence? This is what I will briefly analyze in the remainder of this paper. Each of the three factors will be analyzed in turn: Recognition, democracy, and the EU/international presence.

Recognition

The international recognitions of the six former Yugoslav republics plus Kosovo have transformed some of the potential conflicts from intra-state conflicts into inter-state conflicts. One could argue that this will make the conflicts less explosive: the different communities no longer have to live in the same state, borders have been established and the issue of status settled. A war between Croatia and Serbia for example now seems unthinkable. Proponents of partition as a solution to intra-state conflicts frequently adopt such arguments.[10]

We must not forget, however, that the wars of the 1990s – apart from the case of Kosovo – involved recognized states on both sides. The thinking behind the early recognitions of Croatia and Bosnia was that they would act as a deterrent against aggression, due to the inviolability of borders, and therefore as a factor of stability.[11] But international recognition in itself does not guarantee stability. It matters how many states have recognized the new state and how much time has passed, but the more important question is if the recognition is mutual; if issues of con-

tested sovereignty have been resolved. Otherwise an intra-state conflict might just turn into an inter-state one. Such mutual recognition exists in the case of Croatia, but not in the case of Kosovo. Moreover, while the Dayton Agreement formally constituted an agreement on Bosnia's sovereignty, this was externally imposed and remained contested. International recognition will therefore only under certain circumstances reduce the risk of inter-state violence and it does, in any case, not rule out internal conflict - involving questions over which state a territory should be part of, who should rule and the status enjoyed by minorities.

Due to deliberate policies of ethnic cleansing, and the more general consequences of war, the new states are now a lot more homogeneous than they were when they were still part of Yugoslavia. The Serb minorities in Croatia and Kosovo, for example, now only constitute around 5% of the population. A policy of deliberate homogenization of a state is obviously abhorrent, and constitutes a clear violation of international law, but one of its consequences may well be a reduction in the risk of future conflict.[12] Small minorities are less likely to have the resources to attempt a violent rebellion and the majority is less likely to feel threatened by their existence. Yet even small minorities can give rise to localized violence, especially when geographically concentrated and if combined with lingering fear and/or resentment, and ethnic heterogeneity is very much still found in, for example, Bosnia and Macedonia.

Following the international recognition of the new states, and based on the issues at stake and the experience of war, the following conflict scenarios therefore remain:

1) Inter-state conflict driven by a lack of acceptance of new borders;

2) Intra-state conflict

   a. Legacy of warfare over statehood. Underlying conflict unresolved

   b. Conflict over the status of minority. No legacy of violent contestation of sovereignty or an agreement has been reached (and accepted)

The former conflict scenario is now primarily confined to Kosovo, although renewed claims to Bosnian territory are not beyond the realm of possibility. However, we have seen a marked reduction in the appetite for intervention into neighboring states – whether recognized or not. The kind of external involvement that we saw in

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[8]   See for example UNDP, *Facing the Past and Access to Justice,* 2011, http://www.undp.ba/index.aspx?PID=36&RID=127.

[9]   See for example G. O'Toal & C. Dahlman, *Bosnia Remade: Ethnic Cleansing and its Reversal* (Oxford University Press, 2011)

[10] See Kaufmann, "Possible and Impossible Solutions".

[11] See L.Silber & A. Little, *The Death of Yugoslavia* (London: Penguin, 1996).

[12] This has even led some analysts to advocate 'organised' population transfers, along ethnic lines, in case of extreme cases. See C. Kaufmann, "When All Else Fails, " *International Security*, 1998, 23(2): 120-156.

the wars of the 1990s now seems highly improbable. However, this has less to do with recognition and more to do with the other two factors: regime change and international incentives.

The risk of internal conflict spilling over into violence appears much higher – even if this is also significantly affected by the reduced appetite for kin-state involvement. Scenario 2a is found in Kosovo and in Bosnia and represents the greatest risk of widespread violence and instability, whereas scenario 2b is found in places such as Macedonia, the Preševo Valley and Sandžak. The existence of unsatisfied minorities does not make the outbreak of violence inevitable – violent intra-state conflict would in that case be much more common – but it does provide a possible resource for political entrepreneurs. It therefore matters what kind of political system is in place: are minority rights respected, are grievances addressed? And in this respect, recognition may in fact have a negative impact. States seeking recognition are trying to garner a level of international respectability and may therefore be more amenable to pressures for minority rights.[13] This was the thinking behind the 'standards before status' policy in Kosovo: the lure of recognition would make the implementation of minority rights more likely. Once a state has become recognized, the implementation of such policies however tends to lose its urgency. This is illustrated by the initial scaling back of minority rights witnessed in Croatia following its international recognition in the early 1990s. The situation only improved due to continued international pressure, and the process of EU accession.

The effect of international recognition is therefore less than straightforward and whether it serves to reduce the risk of violent conflicts depends on the wider political context, in particular on agreements reached, the type of regimes that are in place and the degree and form of international involvement.

Democracy and Democratization

The effect of regime change on the risk of violent conflict is again contested. It is widely accepted that there is a positive correlation between democracy and stability: not only are democracies less likely to go to war,[14] they are also more likely to respect minority rights. The most important examples of this positive effect are found in the regime changes in Croatia and Serbia: The death of Franjo Tuđman and the fall of Slobodan Milošević had an immense impact on the risk of renewed conflict in the region. Whereas both authoritarian lead-

ers were more than willing to provide financial and military support to radical co-ethnics across the borders, such appetites are now distinctly reduced. Thus, Zagreb no longer props up a *de facto* Croat entity in Herzegovina and the Kosovo Serbs do not receive the kind of support (or indeed coercion) from Belgrade that was made available to the leaders of the Croatian and Bosnian Serbs in the early 1990s, nor do today's Serbs in Republika Srpska. As a result, Republika Srpska "is too weak to fight its way to independence,"[15] and an actual secessionist attempt from the Kosovo Serbs seems unlikely.

However, while the literature largely agrees that democracy has a positive effect on stability, the effect of democratization is a lot more contested, with the dominant view being that it is associated with instability. As Edward Mansfield and Jack Snyder argued, "in the transitional phase of democratization, countries become more aggressive and war-prone, not less."[16] This has often been used to explain the outbreak of war in the early 1990s following the first multiparty elections. But even if democracy may now be 'the only game in town', party systems are still in flux and populist, and frequently also nationalist, politicians are able to benefit. Processes of democratization led to the fall of Milošević, but electoral politics also brought Tomislav Nikolić to power. The change to (more) democratic regimes is no guarantee for the election of moderate leaders, willing to compromise on inter-ethnic issues.

International recognition and regime change do therefore not ensure the absence of renewed inter-ethnic violence, but in combination with the changed international context, the risk is substantially reduced.

EU / International Presence

International administrations have been crucial for reducing the risk of conflict in Croatia (Eastern Slavonia), Bosnia and Kosovo. These missions have successfully – or somewhat successfully in the case of Kosovo – avoided the outbreak of violence and have helped create functioning states with some level of protection for their minorities. What they have not done, however, is fundamentally transform the conflicts. Except for Eastern Slavonia where the Serbs were effectively defeated and the radical leaders marginalized, the underlying issues remain the same. This form of international involvement has, in any case, now largely run its course. The international presence in Eastern Slavonia is long gone, and its role in Bosnia and Kosovo has changed considerably. In Kosovo, there remains an international oversight, but although the United Nations Interim Admin-

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[13] A. Buchanan, "Introduction," in *Secession and Self-Determination*, S. Macedo and A. Buchanan 9New York: New York University Press, 2003), 5. See also N. Caspersen, "*Separatism and Democracy in the Caucasus*," *Survival* 2008, 50(4): 113-136.

[14] For the democratic peace thesis, see Z. Maoz and N. Abdolali, "Regime Types and International Conflict, 1815-1976," *Journal of Conflict Resolution*, 1989, 33(March): 3-35.

[15] International Crisis Group, *Bosnia: What Does Republika Srpska Want?* Europe Report N°2146 October 2011.

[16] E.D. Mansfield and J. Snyder, "Democratization and the Danger of War," *International Security*, 1995, 20(1): 5-38, 5.

istration Mission (UNMIK) – or in practice the European Union Rule of Law Mission (EULEX) – retains the final say in a number of policy areas, it seems unlikely that this would be used to significantly undermine Kosovo's recognized sovereignty. In Bosnia, the Office of the High Representative has been due to close for years; all that is needed is for "five objectives and two conditions" to be met.[17] This has, however, proved harder than expected.[18] The closure of the OHR has become part of the internal political game and the international presence has been rendered largely powerless in the process.

The significance of the international dimension therefore has to come from elsewhere. The hope of recognition is - as argued above - no longer an available carrot, but what has taken its place is hoped to be as significant: the hope of EU integration. Unlike recognition, this is not an existential question for new states, but the prospect of EU integration is nevertheless intended to make leaders ignore popular – or institutional – pressures to adopt maximalist positions and instead choose a course of inter-ethnic accommodation. Roger D. Petersen argues that although fears and resentment persist in the former Yugoslavia, "the Balkan peoples really have no other option than to embrace the path set out by the West" and become Europeans: "History has ended in the Western Balkans."[19] He argues, that the promise of future European integration, for example, explains the willingness of the ethnic Macedonian leaders to agree to the Ohrid Agreement, despite popular resistance.[20] But is the lure of the EU enough? Bosnia has repeatedly demonstrated the limit to the EU carrot, for example, when the Serb leaders refused to compromise on police reforms even though it was argued to be a precondition for a Stabilization and Association Agreement. They called the OHR's bluff and the agreement was signed anyway.[21] This was partly a case of mishandling the potentially transformative power of the accession process, but it also illustrates that if other interests pull in a different direction – this could either have to do with maximizing power for the individual leader or with protecting the position of the group – then a distant promise of EU integration may carry less weight. We should therefore not dismiss it as mere rhetoric when Nikolić vows not to recognize Kosovo's independence "even at the expense of EU integration."[22]

International involvement in the former Yugoslavia has therefore had a significant impact on the risk of conflict in the region, and it has helped reinforce the possible positive effects of recognition and democratization, but it does have its limits and has not eliminated the risk of renewed violence.

Conclusion

Ethnicity remains highly significant in Southeast Europe and fear and animosity, in some cases, coincide with profound disagreement over which state the territory should be part of and/or who should rule. But a complex interplay of international recognition, regime change and international pressures has made the political context a lot less conducive to violent conflict. The risk of widespread violence has not been eliminated, but it has become a lot less likely.

The changed political context will, over time, also affect attitudes and identities, but years of international intervention have not yet produced a deep transformation of the conflicts, and this is a problem where issues of sovereignty remain unsolved. The case of Bosnia demonstrates that progress is not inevitable and that international involvement can become part of the problem: in 2006, when the closure of the OHR was first being planned, the country seemed stable, but observers are now again raising the specter of renewed violence. Changes therefore need to be further encouraged: reconciliation, minority rights, and democratization all need to be promoted, but the EU has to be very careful how the carrot of membership is used: it must make actual demands, but must also promise tangible benefits. It must not alienate the population and has to be seen as a neutral broker. This is not an easy task, but although the risk may not presently be of actual warfare, or even widespread violence, continued inter-ethnic conflict could result in dangerous stagnation. Southeast Europe must therefore remain an international priority as the progress that has been made could otherwise be undermined and more serious conflict may result.

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[17] Peace Implementation Council, 2008. 'Declaration by the Steering Board of the Peace Implementation Council', 27th February, http://www.ohr.int/pic/default.asp?content_id=41352.

[18] See Peace Implementation Council, 2012. "Communiqué of the Peace Implementation Council Steering Board," http://www.ohr.int/pic/default.asp?content_id=47195.

[19] R. D. Petersen, *Western Intervention in the Balkans* (Cambridge: Cambridge University Press, 2011), 293.

[20] Ibid. 233.

[21] International Crisis Group, *Bosnia's Incomplete Transition: Between Dayton and Europe,* Europe Report N°198, 9 March 2009.

[22] NewEurope, "Nikolić ready to sacrifice Serbia's EU future over Kosovo," 3 June 2012, http://www.neurope.eu/article/nikolic-ready-sacrifice-serbia-s-eu-future-over-kosovo.

EMERGING AND NON-TRADITIONAL SECURITY THREATS IN SEE: A SYNOPOSIS

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The states of Southeast Europe today are entering into a fluid and uncertain period due to a convergence of events and factors. Some of these, such as the larger economic difficulties of the EU and particularly Greece, are not entirely in their control. But there are individual failures or at least delayed, frozen issues on the individual level, such as the need for a continuing international administrative presence in Bosnia, the failure of Macedonia to join NATO (due to Greek objections), the on-going impasse between Belgrade and Pristina, and the lingering influence of organized crime in the region in general. All of these affect, and are affected by, domestic and international political actors.

At the same time, EU states have never been more disunited and the question of future EU integration – the basic promise that has been forwarded to keep the peace and generally promote optimism in the region – is looking increasingly uncertain. The popular concept of a "Europe without borders" envisioned as an antidote to nationalist and secessionist movements is being damaged by the current strong calls for a return to national borders by some parties in EU states, due to immigration concerns, and the likelihood that eurozone expansion will be halted as well, even for existing member states that had planned to enter it. The EU's crisis of legitimacy thus creates ideal conditions for security threats internal and external, as well as for outside powers and groups attempting to increase their influence in the region or even to destabilize it.

Anywhere in the world, it is true that when the state has abdicated its responsibilities, or can no longer meet them in critical areas, an opening is left for outside groups or forces to perform necessary services or to exploit weaknesses for their own purposes. But in Southeast Europe in particular, there are numerous places where the situation on the ground can be altered quickly and dramatically, though state authority might seem sufficiently robust to prevent such scenarios. This already potent dynamic is being intensified by the current economic pressures in Greece and elsewhere in Europe, which have led to the rejection of incumbent leaders in several states and an apparently increasingly violent polarization of political extremes across the Continent.

By taking a look at some of the emerging, non-traditional threats in Southeast Europe, we can also envision possible negative scenarios and seek approaches to forestall them. Ultimately, it seems that any new and comprehensive regional security framework will have to improve on and perhaps in part replace current mechanisms, perhaps granting a stronger role to outside powers.

The following synopsis examines three critical security areas: (i) the growth of Islamism as a political and security factor in the Western Balkans, (ii) the potential arrival

of "outlaw biker gangs" in Southeast Europe, and (iii) the issue of political radicalization in the context of illegal immigration in the region and the effects that Greece's current economic and political upheaval could have domestically and for the larger region.

Islamism & Extremism in the Western Balkans: Key Points

- An increase in Islamic radicalism and 'political Islam' in the Western Balkans is visible, but due to the tribal/ethnic nature of local communities, only they (and not outside powers) can effectively tackle the problem; however, since this would require a dramatic social transformation, quick results are unlikely

- The major goal of Islamist provocateurs in the region is to blur the lines between religious and ethnic identity, so that any criticism of Islam or arrest of local Muslims can be depicted as an attack on the ethnic group, and thus win broader support than would otherwise be the case

- While the region itself does not possess many 'big targets' for international terrorism, plots and deadly attacks abroad having some relation to the region have spiked in recent years, indicating that the Western Balkans remains a useful support base for logistical planning and proselytizing

- The traditional 'top-down' security approach of Western actors is largely useless against this more long-term and socially complex threat; outside actors may be able to play a role, but will also have separate agendas

Trends ranging from strategic mosque construction to more radical public discourse, political infighting and even security incidents attest to a greater role of conservative Islam in several Western Balkan states. Muslims themselves have so far been the main victims of this internal war, which has sometimes taken the shape of a competition for proving one leader or group's 'street credibility' as 'more Islamic' than the rest. However, the failed attacks on the U.S. Embassy in Bosnia in October 2011, and attacks on churches in Macedonia, followed by a massacre of five Macedonians in early 2012 (the latter attributed by the Interior Ministry to Islamic fundamentalists), have targeted non-Muslims as well. Balkan Muslims have also been active in high-profile international events, such as the Mavi Marmara flotilla to Gaza in May 2010.

Despite the long post-war international presence in the region, Balkan societies remain as they were before – ethnically divided and tribalistic in outlook, with allegiance to one's party, ethnicity or clan to a very large extent suppressing critical thinking and keeping political discourse relatively predictable. Yet while Western diplomats frequently, and quite rightly, decry the politicization of daily life, the partisanship of media dis-

course, and the power of parties in the social order, their own dependency on this order is reaffirmed whenever an unexpected security incident happens: in case of any large-scale protest, inter-ethnic altercation, threats or organized violence, the first thing typically done is to call the leaders of the political parties into closed-doors meetings, particularly in Macedonia, Kosovo and Bosnia.

This practice sends a mixed message to the public, seeming to indicate yet again that the 'important' security-related decisions are made being closed doors and between international diplomats and top leaders. Of course, when things are perceived to have gone wrong, blame is attributed to either too much or too little foreign diplomatic involvement. The prevailing strategy also reaffirms the attested belief that violent extremism, when carefully managed, can be transformed into political results, and thus perpetuates the general foreign-domestic patronage system that has long characterized power structures in the region.

This top-down conflict management strategy also presupposes the ability of local political leaders to "handle" internal troublemakers. However, this may no longer be the case, as protests and violence linked with a younger generation of Islamic fundamentalists, among others, indicate. The increasingly vocal presence of Islamist views on the ethnic Albanian political scene in Macedonia is indicative of a very complicated relationship within the parties and society, much more complex than can be discussed in a short paper.[1] However, this convergence of ideologies represents the most difficult and most dangerous new security threat in the region, one which for political and social reasons can only be effectively dealt with by the Muslims themselves, if they recognize it as a future threat to their own society.

However, in an environment where any crackdown on Islamists who happen to be Albanian, for example, is depicted as ethnically motivated by Albanians worldwide, there is no incentive for internal critics to raise their voice. This is particularly the case in Macedonia, whereas in Kosovo the Catholic Albanian minority sometimes provides critical feedback. The situation is slightly better in Bosnia, where a handful of former Wahhabi sect members have been outspoken in recent years about negative developments there. But clearly, much remains to be done to create an environment conducive to the safe freedom of expression for self-critical Muslims in the Balkans.

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[1] An example of an in-depth study of one of these recent events would be the present author's article, "After Macedonia's Islamic Protest, Investigators Search for Significance amidst Confusing Array of Motives and Clues," www.balkanalysis.com, February 13, 2012. Available at http://www.balkanalysis.com/macedonia/2012/02/13/after-macedonias-islamist-protest-investigators-search-for-significance-amidst-confusing-array-of-motives-and-clues.

The same concerns that international security bodies have for the EU countries also apply for the Balkans. Europol's TE-SAT 2012: EU Terrorism Situation and Trend Report notes that Europe this year may see an increase in 'lone-wolf' plots (something specially called for in an Al Qaeda video released after the death of bin Laden) and, not coincidentally, the enhanced use of new technologies and especially social networking to influence impressionable minds with violent Islamist propaganda.[2] This was the case with the murder of two U.S. servicemen in March 2011 by a young Kosovo Albanian émigré in Germany, who admitted to having been radicalized by the internet.[3] Today, internet groups and websites in Balkan languages provide propaganda and serve as useful logistics hubs to disseminate information and organize protests quickly- as elsewhere in the world, leaving the authorities at a tactical disadvantage. This internationalization of relationships has also been noted in high-profile cases involving Balkan Muslims in the diaspora, such as the failed plots against U.S. military installations such as Fort Dix in 2007 and Quantico in 2009.[4]

When looked at in the larger context, it becomes clear that Western diplomatic initiatives that tend to be geared towards putting out fires and influencing political leaders on an *ad hoc* basis will not yield any new results. Further, on the EU level there is currently confusion and a lack of factual information regarding the real situation on the ground, something that owes both to the separate agendas and lack of information sharing among the twenty-seven member states, and to the disparate motives of local interlocutors surveyed by EU representatives. And so, despite well-meaning public affairs events and initiatives, Western countries have little influence over the deeper social issues that affect local Muslim communities in the long-term. This situation is disadvantageous to the West, and probably means that outside parties will be called upon to take a larger role in future.

The primary actor in this capacity is the Republic of Turkey - the only country that has the relevant historic and cultural experience, as well as the aspiration to play such a role, good relations and credibility among both the Christian and Muslim populations across much of the region. Unlike Western or local, non-Muslim authorities, the Turks can play both 'good cop' and the harder role of 'bad cop' to keep potentially problematic elements among local co-religionists in line, without risking inter-ethnic or inter-religious reprisals on a society-wide level.

Of course, Ankara already aspires to a greater role in the region, and if the possibility of an EU future continues to wane and NATO enlargement remains impeded, Balkan countries left frozen out may start to seek other solutions. If the West simply decides eventually to 'hand over' parts of the region to Turkish semi-administration, it will be interesting to see whether Ankara's expanding influence will reflect the true diversity of the Turkish Republic, or just the interests of certain political and ideological leaders. This will make a very big difference in how the region develops and in its future political orientation towards the West.

"Outlaw Biker Gangs" as a Possible Future Threat: Key Points

- European law enforcement experts have identified violent, "outlaw biker gangs" as representing a possible future threat to Southeast Europe, with wars for territory and control of the drugs trade considered areas of concern

- Such groups have the potential to become problematic in other respects as well, since they are essentially franchises of long-established international clubs with ties to outside governments, in some cases

- Any expansion of biker gangs in the region, should they get involved in the drugs trade, also runs the risk of creating violent competition with the existing criminal outfits

One development that is particularly interesting, partially because it is rarely discussed, is the potential branching out of international motorcycle clubs alleged to be involved with organized crime and violence to the region. The United States has a long and infamous heritage in this connection, but until now, the areas of Europe most affected by such groups had been confined to Scandinavia, where a veritable war between rival gangs occurred in the mid-1990s in Denmark, Sweden, Norway and Finland.[5]

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2   The TE-SAT 2012: EU Terrorism Situation and Trend Report is produced by Europol, with input from Eurojust, Interpol and open sources, as well as information provided by member states and other countries, such as Columbia, Croatia, Russia, Iceland, Norway, Switzerland, Turkey and the US. The report is available online at https://www.europol.europa.eu/sites/default/files/publications/europoltsat.pdf.

3   See "Kosovo man admits Frankfurt airport Islamist attack," BBC News, August 31, 2011. Available at http://www.bbc.co.uk/news/world-europe-14727975.

4   See Garentina Kraja and William J. Kole, "Brothers Behind Fort Dix Plot Were From Pro-U.S. Enclave," Associated Press, May 10, 2007, and Jerry G. Gilmore, "FBI, Navy Foiled Alleged Terror Plot on Quantico," *American Forces Press Service*, September 25, 2009. Available at http://www.defense.gov/news/newsarticle.aspx?id=55980.

5   The 'Great Nordic Biker War,' as it has become known, lasted from 1994-97 and involved local chapters of the Hell's Angels, Bandidos and Outlaws, who used weaponry including anti-tank rockets and grenades in various cities in Denmark, Finland, Sweden and Norway. See Sarah Helm, "Biker wars dredge up something rotten in the state of Denmark," *The Independent*, May 12, 1996. Available at http://www.independent.co.uk/news/world/biker-wars-dredge-up-something-rotten-in-the-state-of-denmark-1346874.html.

However, in 2010, Europol warned in a press release that rival biker gangs were making plans to spread out in Southeast Europe, too. Referencing the document, *The Irish Times* reported that such groups "have made swift advances in Turkey and Albania as they use Turkey as a staging post for the onward transportation of drugs into Europe, a business so lucrative that turf wars are feared in a criminal fraternity noted for its violence."[6] Unsurprisingly, the Europol report angered motorcycle enthusiasts from the region, with those from Croatia being especially vocal.

In May 2012, the author surveyed Europol to ascertain whether the police still see biker expansion as a threat to the region, two years on. The response was that they do, with the opening of a café in Tirana by the Hell's Angels being cited as an example of activity.[7] However, other sources say that in some countries of the region, such as Greece, the group seems to have failed to develop a presence. In other cases, it seems too early to tell, for example in places like Kosovo or Macedonia, where biker groups do exist. However, in the latter at least they have never been associated with violence, and in fact in various instances (such as the Macedonian national basketball team's return from a tournament in September 2011), motorcyclists provided part of the entertaining escort.

However, the close liaisons of some clubs with larger foreign ones have raised some concerns. For example, the Russian Night Hawks club has chapters in Serbia and now in Macedonia – Vladimir Putin himself was famously pictured at a football match in Belgrade with Serbian club members in 2011.[8] While the club publicly espouses an anti-drugs policy, its expansion has raised concerns among some European security planners about the potential for Russian intelligence penetration in the Balkans via this indirect route. It is also interesting to note that the pan-Orthodox ideology of the club differs from those of other clubs and, in a region as ethnically and religiously sensitive as the Balkans, this might play a part in possible future turbulence.

However, for Europol, the main concern remains not with Russia, but with an eventual violent turf war for control between franchises of the big international groups such as the Hell's Angels and Bandidos. For police, the profile of the typical European biker as a white male with low education and nationalist, even racist

views is being augmented in interesting ways, however; for example, Europol sees a great danger from first- or second-generation Turkish (that is, nominally Muslim) bikers from Germany, who do not fit this profile but who could conceivably have the connections and capabilities to participate in or even control drug smuggling from Turkey into Europe. How such an operation would conflict with or complement the operations of the existing smuggling networks cutting across the region from Turkey remains to be seen. But it is an interesting development that must be taken into consideration, given that it has been raised by some of Europe's top law enforcement experts.

Political Extremist Groups, Illegal Immigration, the Western Balkans and Greece: Key Points

- With economic turbulence and a simmering debate over immigration, political polarization in Europe seems to be increasing, potentially threatening security in various of its parts

- What happens with Greece's economic and political stability, and with Turkey's role as a conduit for illegal migrants, can affect the security situation in the Western Balkans and further on in the EU countries

- While the surge of Greece's right-wing movement has made headlines worldwide, it actually has little ideological relevance – in practical terms, it will manifest itself more as a supplementary security force, with a role to play too in the evolving restructuring of organized crime in the country, which involves Balkan groups

In its 2012 report cited above, Europol noted that right-wing extremism "has reached new levels in Europe and should not be underestimated." Cooperation between different groups across borders has increased, it stated, largely due to advances in technology and communications allowing coordination of activities from remote locations with little or no effective proactive countermeasures possible from authorities. Recent events in Europe show the complexity of the phenomenon; the June 2 clashes in Hamburg, Germany between thousands of members of neo-Nazi and anti-fascist groups, in which police were caught in the middle, and attacked by the latter, served as a reminder that the conditions already exist for violence between right- and left-wing extremists in the EU.[9] The fact that a large, peaceful protest against the neo-Nazis also took place on the same day indicates again the variety of protests and groups.

At the same time, left-wing anarchist violence may be making a comeback in Europe as well. A little-known Italian group claiming to support environmental causes,

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6   See "Hell's Angels hit the road as wheeler dealers in Balkans drug smuggling," *The Irish Times*, July 7, 2010. Available at http://www.irishtimes.com/newspaper/world/2010/0731/1224275906385.html.

7   These insights derive from comments made for the author by a Europol official, May 2012.

8   "Now macho man Putin dresses up in black leather to watch football match with the Night Wolves biker gang," *The Daily Mail*, March 24, 2011. Available at http://www.dailymail.co.uk/news/article-1369485/Vladimir-Putin-polishes-macho-image-Night-Wolves-Belgrade.html.

9   "German police injured in clashes at neo-Nazi rally," AFP, June 2, 2012.

the "Olga Nucleus of the Informal Anarchist Federation-International Revolutionary Front" has claimed responsibility for the recent shooting of nuclear engineering firm chief Roberto Adinolfi, and for letter bombs sent last year to prominent persons, including the head of Deutsche Bank. On May 16, a letter from the group warned that the Italian interim Prime Minister, Mario Monti, is "one of the seven remaining targets."[10] The group has referenced opposition to austerity measures, as well as an anti-nuclear energy stance, as rationales for its activities.

Discussing the role of politically extremist groups in Southeast Europe is complicated by the same perception gap that colors the definition of terrorism - that of subjectivity. A different context also complicates matters. Do such groups have to indicate all of the same belief systems, or multinational political affiliations, to fit into one or the other categories? Do they have to be allied in any formal, international, political way in order to be considered partners? To what extent will individuals who create a patchwork of beliefs from varied agendas influence the development of larger movements, or pose security risks?

In any analysis, the local realities and contexts must be assessed, as there are right-wing groups that embrace totally or partially opposing ideologies and prejudices. This is particularly true in the Western Balkans, where the memories of violent historical events perpetrated by regional states often put one's neighbors high on the list of grievances. So it is not necessarily possible to equate all right-wing groups in the Balkans with better-known counterparts elsewhere in Europe; by no means are all of the former anti-Semitic or racist in other ways, as is the established tradition in the U.S. and Western Europe.

Right-wing groups with disparate agendas and backgrounds in the various countries may in fact also be composed largely of persons with similar profiles, for example, football hooligans (as elsewhere in Europe).[11] And looking further into that particular aspect of the issue thus implies the need to look into who controls these groups; the economy of sport, and related business, media and politics thus all become very relevant, if admittedly very hard to identify. It is thus difficult to draw general conclusions about the rationale, motivations and inter-connections of such groups, particularly in this complex region.

In some cases, like that of Greece, today's financial and demographic strains now visible seem to be aggravating and exacerbating pre-existing political cleavages. These existed well before the country's Civil War (1946-49), which pitted right-wing elements against communist factions, and the later six-year rule of the military junta, which ended with the Turkish invasion of Cyprus in 1974. This in turn led to legislation favorable to the Left and long years of Socialist rule, a period during which the most serious political violence came from the targeted assassinations of Greek, U.S. and British government officials by the left-wing terrorist group November 17. Finally broken up by police in 2002, November 17 committed one hundred and three attacks (including twenty-three assassinations) from its inception in 1975.

Since the demise of this group, there has been no similarly dangerous organization in Greece, though anarchists and left-wing leaders have obviously spearheaded numerous violent protests against government austerity measures in recent years. However, while the general economic issues motivating protests have enjoyed wide sympathy among large cross-sections of the general public, this has not translated into a great rise in support for the far left. In fact, the violence that has accompanied some of the protests since 2009 has turned ordinary Greeks off to the more radical organizations.

With the Cold War long over, Europe faces new problems and the one that has galvanized parties across the Continent more than any other is illegal immigration, and the real or perceived impact that this is having on the economies, culture, traditions and overall well-being of Europeans. The credit crisis and rises in unemployment have only aggravated the debate. In Greece, illegal immigration is at the same time a political, economic, organized crime and geo-strategic concern, with knock-on effects for the Western Balkan countries.[12] It hardens political lines between typically leftist groups supporting immigrants' rights, and right-wing groups who accuse them of endangering and debasing society. For immigrants to come in such numbers, considerable organization is also required, and this involves organized crime that is believed to include corruption of public officials and establishment of 'pro-immigrant' NGOs and front groups.[13]

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[10] "Anarchists threaten Italy's PM Monti," Reuters, May 16, 2012. Available at http://www.reuters.com/article/2012/05/16/us-italy-threat-idUSBRE84F0SF20120516.

[11] For example, three of the regional countries most known for football hooliganism – Croatia, Serbia and Turkey – are of differing cultures and religions (Catholic, Orthodox and Muslim, respectively).

[12] For example, Macedonian officials, sometimes backed by Western diplomats, have repeatedly protested at what appears to be deliberate 'immigrant-dumping' of unwanted migrants from Greece. Whatever the case, the last two years has seen a marked increase in organized illegal immigrant trafficking from Greece to Serbia via Macedonia, with the remote ethnic Albanian villages of Lojane and Lipkovo being often cited as jumping-off points. This in turn results in problems for Serbian authorities. See "A Macedonian village on the edge of Europe," RFE/RL, January 19, 2012. Video reportage available at http://www.rferl.org/media/video/24456813.html.

[13] See Ioannis Michaletos, "Special Security Report: Illegal Immigration in Greece and Domestic Security," Balkanalysis.com, June 11, 2011. Available at http://www.balkanalysis.com/greece/2011/06/11/special-security-report-illegal-immigration-in-greece-and-domestic-security/.

Turkey is the transit route for the majority of undocumented migrants. This has led to accusations that Ankara is leading or at least abetting a policy of attrition against the European social service administrations, something that some Greek commentators have likened to a form of 'asymmetrical warfare' against 'Christian Europe.' Whatever the reality, it is clear that the EU has showed considerable concern over Turkish border security, so much so that they installed the Frontex border policing mission in the Evros region of northeastern Greece in cooperation with local authorities, and on the Aegean Sea border between the two countries.[14]

Ironically, this strictly 'technical mission' proved too successful for its own good; the unsurprising and dramatic increase in number of detained illegals only increased the burden for Greece, since Turkey would not take them back. Instead, these trafficked persons are typically placed in temporary detention camps but later released, often heading to established communities in Athens or attempting to continue further into Europe. Meanwhile, the Erdogan government's broader foreign policy goals of ingratiating itself across the developing world have also meant new, visa-free travel for citizens from over sixty countries, that by early 2011 included Jordan, Libya, Syria, Lebanon, and Yemen. At the time, the *SE Times* quoted a British expert who noted that this policy "makes it much easier for would-be illegal migrants seeking to enter Europe via Turkey," while also making it "much more difficult not only for the countries trying to track the movement of terrorists, but also for Turkey's own security."[15]

It is clear that EU action has to be re-thought, as the hands-off, 'technical' nature of the Frontex operation only led to a compounding of the problem for Greece and to worsened relations with Turkey. Europe's response has been so toothless that Greek authorities have had to take the measure of building a wall on the Turkish frontier – something that won them no favor with Turkey, and caused embarrassment and confusion in Brussels.[16] Yet, with Turkey's EU hopes indefinitely postponed, the EU has little to offer that could entice Ankara to drop a general policy that has many political, economic and cultural benefits for Turkey with the wider, non-European world.

The specific local realities of Greek society can also account for why immigration is only becoming such a problem now. After the collapse of communism, the country experienced a deluge of refugees from the former Soviet Union, as well as Albania and to a lesser extent the former Yugoslavia. Yet, though Greeks have complained since the early 1990s about this type of immigrants, they have also made important contributions to the economy, in particular the agricultural and other low-end sectors in which Greeks no longer wished to work. Further, there is a place in Greek society for anyone who is Orthodox – something that is quite helpful for the Georgian, Russian, Romanian, Bulgarian and even some of the Albanian immigrant populations. So despite the occasional flare-ups of trouble (typically involving football hooligans), this first generation of immigrants is on the 'safe' side and in many cases has found a place in society.

However, there is little possibility of assimilation into traditional Greek society for today's immigrants from the developing world. There is no way that a Nigerian, Pakistani, Afghan, Chinese or Bangladeshi would be capable of meaningful integration here. Nor do they seek this: Greece is perceived as merely a way-station for most immigrants, who wish to continue on to northern and western Europe. Thus what we see today are concentrated, ghetto-like populations both large and small, not at all hidden (though the larger human trafficking leadership networks that organize and extort these populations do tend to remain invisible).

Despite their large numbers – it is estimated that one million of Greece's eleven million residents are foreigners – these people have generally not acted violently until now, generally because they lack identification or support. However, the occasional attack or murder of a Greek citizen by a migrant often creates the conditions for reprisal attacks by Greek right-wing sympathizers, and for large-scale and sometimes violent protests organized by right-wing groups such as the Chrysi Avgi (Golden Dawn).

This group, which is often referred to in foreign media as 'neo-Nazi' or 'neo-fascist,' claims to be neither but rather to merely exist to safeguard Hellenism, the Greek identity, church, culture and so on. Interestingly, however, in areas of Athens with the heaviest immigrant populations, such as Agios Panteleimonas, we understand that now even some Poles and Albanians have joined the movement. In the recent elections, Golden Dawn made an unprecedented political gain by winning twenty-one seats in parliament, causing concern among left wing and Jewish groups.[17]

Numerous Greek media outlets have reported that Golden Dawn enjoys a certain support among parts of

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14 The official website of this agency is www.frontex.europa.eu.

15 Alakbar Raufoglu, "Turkey's next visa-free neighbour- Yemen," Southeast European Times, January 17, 2011. Available at http://setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2011/01/17/feature-02.

16 For example, see Jean-Pierre Stroobants and Guillaume Perrier, "Plans for a wall on Greece's border with Turkey embarrass Brussels," *The Guardian*, January 11, 2011. Available at http://www.guardian.co.uk/world/2011/jan/11/greece-turkey-wall-immigration-stroobants.

17 See "Golden Dawn party wins 21 seats in parliament," Jewish News One, May 8, 2012. Available at http://jn1.tv/breaking-news/golden-dawn-party-wins-21-seats-in-parliament.html.

the police, particularly special units, and it is thought that some of the membership may include former police or special forces officers. The group already acts as a 'problem-solver' in areas where the state cannot or does not act, and this role is sure to increase should state institutions weaken or fail. Some anecdotal examples include providing free food or medicine for poor Greeks, protecting people from threats or attacks by non-Greeks, and intervening in other ways to resolve disputes. In case of total system failure, or at least large-scale civil unrest, the Greek police would indirectly call upon or at least tolerate the intervention of such essentially civil protection groups, should they become unable to control the situation themselves.

In the most complicated scenario – widespread urban street fighting with weapons, fire and dangerous objects – the police might have to intervene between right-wing groups and immigrants, though even this is not as simple as it might appear. Our latest information indicates that the existence of two varieties of immigrants in Greece will propel an organized crime war between the "white" immigrants (Albanians, Romanians, Bulgarians and so on) and the newer ones, from countries like Iraq, Afghanistan and Pakistan. The latter have been steadily gaining ground over the former in various illicit activities, and turf wars have already started between them in some areas of Athens.

Thus, what would appear to be part of a broader European issue over immigration may under the surface have more to do with criminality.[18] The extent to which any crisis spreads across the country as a whole will indicate the true nature of the problem. In the case of a real liquidity problem leading to a scarcity of essential goods, such as expensive medicines, it is possible that organized crime routes via neighboring Balkan states could be utilized to import such necessary products and thus fill a social need.

This new demographic reality has posed interesting dilemmas for both the Greek right and left. In the case of a deepening economic crisis that escalates into street fighting along more or less racial lines, Greek groups like Chrysi Avgi would end up taking the side of the "whites" – even if this means supporting non-Greeks as well. They will have to do this carefully, to avoid watering down their strictly Greek nationalistic image among the party base. The unifying aspect of religion – white, European and Christian vs. Asiatic and Muslim – will, therefore, be made use of more often in order to justify cooperation with foreigners.

As for the left, which has traditionally sympathized with immigrants and supported Islamic issues such as the Pal-

estinian cause, the question is more complicated. Greek anarchists – who are just as dogmatic as hardcore right-wingers in their ideology – have historically viewed foreign immigrants as "oppressed workers," something that has become anachronistic. There is no "class war" aspect in Greece, as immigrants here see the country merely as a way-station en route to the greener pastures of northern and western Europe – not as their chosen home where they have anything at stake long-term.

We understand that anarchist groups have made attempts to involve immigrants in their plans, with attempts made in recent months to recruit leading figures from the Afghani and Sudanese communities in Athens. However, these were unsuccessful, in the first case because the conservative Muslim Afghan groups were not "in tune" with left-wing mores including sexual permissiveness and women's rights, and in the second because the individual in question was arrested for narcotics trafficking. Given these tactical failures, the left-wing groups (some of which already engage in sporadic street violence with right-wing groups) have primarily sought to concentrate on the alleged neo-fascist and neo-Nazi beliefs of groups like Chrysi Avgi, when staging their own protests.

Currently, the biggest threat for a non-traditional security incident in Greece would seem to stem from rioting or fighting caused by any incident involving an immigrant. The most likely regions for such an occurrence would be areas of concentrated migrant populations, such as central Athens, Thiva, near Athens, the port of Patras in the northern Peloponnese and the agricultural region of Ileia in the Western Peloponnese. (Large numbers of migrants are present on the agricultural island of Crete, but Cretans are sufficiently armed to fend for themselves).

In the case of urban fighting, self-declared 'civil protection' units will see an opportunity to assert themselves. Groups like Chrysi Avgi have their own counter-intelligence operations, which allow them to keep tabs on known troublemakers, and would deploy their own transportation, weaponry and advanced telecommunications systems if the need arises. They would also liaise, at least informally, with riot police. In fact, such an "opportunity" would be welcomed, as the right-wing has highlighted its preparedness to take action if the authorities cannot. Nevertheless, it is not expected that unrest in Greece will spill over into neighboring states, though opportunistic rhetoric about minority or Muslim rights might be heard from certain political factions elsewhere in the region.

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[18] This information and some of the below derives from recent comments made to the present author by Ioannis Michaletos, Balkanalysis.com, Research Coordinator in Greece.

Concluding Assessment: Towards a Future Security Architecture

Existing political, social and ethnic tensions in Europe are becoming more acute and more extreme, as the expanding debt crisis and general economic downturn creates new scapegoats and villains in the public discourse of both the political fringes and general society. Given the slow pace of economic recovery this situation will probably get worse before it gets better. How much worse is difficult to say, but at very least we can expect that the major powers and policy-makers will have less and less time to give attention to the Western Balkans in the coming period, which is unfortunate considering that old and new security risks exist in the region. Typically, criminal and extremist elements find their opportunities at just such moments, when oversight is low and when states cannot or do not fulfill their roles in various capacities, which can create a security vacuum and chance for black-market activities to flourish.

It is clear that given Western concerns over issues such as terrorism and illegal immigration, the governments of the Southeast European region must do a better job of working together and avoiding the 'blame game,' both amongst themselves and with Brussels. In recent years regional governments have demonstrated numerous cases of non-cooperation in terrorism investigations, as well as non-compliance or disagreement over immigrant issues, though to be sure there have been some successes. Yet there is still no agreement among states (nor with the EU) that could create the grounds for a comprehensive framework for handling new threats, and the few initiatives taken by the EU in dealing with the issues in key areas (such as Frontex, on the Greek-Turkish border) seem to have confused and compounded the problem for both the region and the EU.

Further, the West's traditional 'top-down' crisis management strategy in the region has been effective only tactically, in the case of putting out specific fires, meaning that the threat of unexpected violence is always kept lurking in the background. Yet this strategy has failed to influence long-term social trends that have led to outcomes like the violent politicization of Islam in several countries, or the rise of multinational drugs and human trafficking networks in the region as a whole. To redress the situation, Western leaders have to re-assess their method of strategic approach, in part by putting greater priority on engagement with the larger local societies- something that first requires an understanding of their needs, desires and general outlook. And, at the larger political level, they should encourage a frank dialogue between regional governments, to bolster security cooperation, making it clear that there are common benefits for all in working together to overcome the security challenges of today.

TRANSFORMATION OF THE PROBLEMS IN THE BALKANS: CUL-DE-SAC

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Two decades have already passed since the bipolar international system collapsed. Almost seventeen years have passed since the Dayton Accord was concluded. "Assertive multilateral intervention" in Kosovo took place thirteen years ago. The Ohrid Framework Agreement was signed eleven years ago. It has been thirteen years since the EU's Stability Pact was launched, and nine years since the EU launched its celebrated Western Balkan Strategy at its 2003 Thessaloniki summit.

It is true that the war in Bosnia-Herzegovina was ended, further atrocities were prevented in Kosovo, further polarization in Macedonia was preemptively postponed and societies in the Western Balkans were given the prospect of integrating into the EU.

Even so, no one can talk about an enduring stability, security and a satisfactory rise in living standards in the whole Western Balkans. We are still talking about, if nothing else, fragile stability and security and the rise of unemployment. Why is that?

In this paper, I attempt first to draw attention to the current problems in the Western Balkan countries, second to review the strategies so far taken up by major international actors and, third to point out how the problems have been transformed. I argue that the strategies so far taken up by the major actors towards the Western Balkans have led to a cul-de-sac. Unless the current strategies are replaced by a more inclusive, constructive and problem solving strategy, the existing minimal security and stability is unlikely to be preserved.

The Current Problems and their Transformation

As the dismemberment of Yugoslavia started alongside the collapse of the bipolar international system, the major international actors pursued a strategy aimed at containment of the war in Bosnia-Herzegovina. Given the fact that the dismemberment of the Soviet Union, its spillover effects and the war in Iraq were seen as more important problems, the international community initially did not act in a timely fashion to address the war in Bosnia-Herzegovina due to a calculation that the war was not large enough to threaten to destroy the Western security architecture. Thus, international actors preferred to contain the war in Bosnia-Herzegovina. As the atrocities rapidly increased, multilateral intervention in Bosnia-Herzegovina became imperative and thus international actors intervened and the war was ended in November 1995 followed by the signing of the Dayton Peace Accord in December 1995.

It is true that the Dayton Accord ended the war in Bosnia-Herzegovina, but it also created an unworkable administrative structure. The constitution, attached to the Dayton Accord, was an experiment to test whether a

multiethnic, multicultural society could be recreated or not. What is more, the inter entity ethnic boundary was more boldly highlighted than the outer boundary of Bosnia-Herzegovina. The Dayton Accord consolidated this internal division as the two entities were clearly named: Federation of Bosniak and Croats and the Republica Srpska. As the local level nationalist political actors failed to act in accordance with what had been assumed, the High Representative was further empowered by the Bonn powers in 1997, but in vain. In each and every general and local election the nationalist parties won the elections contrary to the expectation of international actors, who had assumed that in the course of time liberal parties might gain ground. The end result was a clear failure – this assumption proved to be incorrect. Similarly, the international actors' assumption that displaced persons would return back to their hometown ended in a fiasco. The fact is that ethno-religious political division has been consolidated.

The 2006 reform package, which aimed to boost state level institutions, also resulted in a failure. What is more, the Butmir process of 2009/2010 resulted in no better solution either. All of this suggests that the original structural problems that had stemmed from the Dayton Agreement continue to exist and the reform packages of 2006 and 2009/10 resulted in failure. Along with these failures, the decision of the High Representative not to use his Bonn powers vitiated any possibility of reform in Bosnia and Herzegovina. Besides, the EU decision to take over the power of the High Representative by creating a new post of EU Special Representative is a signal of the transformation of the problems, but does not solve any of the existing ones. Will the EU Special Representative do better than the High Representative? Given the fact that EU decision-making mechanisms are more complicated, the answer to this question is negative. The discussions in Bosnia and Herzegovina between the October 3, 2010 election and December 29, 2011 showed that uncertainties in the political sphere led to further instability and even talk of a "state crisis" appeared in Bosnia-Herzegovina.

Finally, there are alarming indications of the rise of unemployment, the decline of living standards and the near bankruptcy of the banking sector. None of these problems are well addressed at the international and local levels.

Taking the Kosovo issue, before the 1999 "assertive multilateral intervention" there were heavy violations of human rights, the Albanian population was under particular pressure, however, the 1999 intervention created "ambiguous uncertainties" about the future of Kosovo at least until 2008. When the Ahtisaari plan was put into place, it calmed the Albanian population, however since then the other minorities have been pushed into the corner. NATO saved the Albanian population in 1999. Now KFOR is protecting the Serb minority in Kosovo. Even worse is the fact that unemployment is the highest in Kosovo. International actors and institutions expect Kosovars to develop a workable free market economy and a democratic regime in spite of the facts that capital formation in Kosovo is too weak and that there is almost no real productive sector in Kosovo. It is unrealistic to expect democratization without organized social forces. The power bases of the political parties are not organized social forces. Patron-client relations are the only game in Kosovo. EU-LEX is a half-success; it has yet to be tested. It is true that there is minimal security and that ethnic clashes are rare, but we cannot talk of the existence of enduring, optimal security and stability in Kosovo either.

Macedonia is another case in point that the problems have been transformed, yet no solution has been found. The ethnic clashes of 2001 alarmed international actors and thus they put pressure on both ethnic Macedonians and Albanians to behave themselves in line with European norms. Before the 2001 ethnic clashes, the Albanians of Macedonia asserted that they were underrepresented in the state apparatus, claiming that the state should be restructured to form a common state, while the ethnic Macedonians asserted that Albanians enjoyed minority rights of a quality that did not exist in any of the EU member states. The Ohrid framework agreement envisaged calming both sides down by increasing the representation of Albanians in the state apparatus, particularly at the local level. Ethnic Macedonians were given verbal assurances that Macedonia's integration into the EU would be more speedy. Thus Macedonian governments worked hard to meet preconditions, such as the Stabilization and Association Process and then signed the Stabilization and Association Agreement, which upgraded Macedonia to a point where it could apply for the opening of EU accession negotiations. However, the EU did not respond for a long time and then revealed that the name issue is still the main obstacle. That is to say, international actors are unable to overcome even the name issue. This caused big disappointment in Macedonia. Now, ethnic Macedonians see the Ohrid framework agreement as nothing but a transformation of the problem.

Like elsewhere in the Western Balkans, unemployment, financial sector crisis and the stagnant living standards in Macedonia are common problems.

Albania faced no ethnic problems within the country; however, there has been a steady rise of the Albanian question in the Balkans. Whether this is an actual or a potential problem is debatable. It seems that there are certain numbers of intellectuals who are inclined to internationalize this issue; it remains a potential problem for the time being.

Albania has faced mainly economic and political problems so far. The Albanian economy is composed of three parts: capital formation from domestic production is very limited and represents only one third of the whole economy; another third comes from remittances

of Albanian workers abroad and the final third derives from illegal trafficking. All international actors, particularly the EU, know these facts. The dilemma is that the EU, like the other major international financial institutions, allocates funds for the prevention of illegal trafficking, but not for investment to create jobs. As 60% of the funds for such projects return to the fund providers, such a policy does not really contribute to the Albanian economy and amounts to little more than providing pocket money for NGOs.

Foreign Direct Investors are not so eager to invest in Albania for lack of political stability and because of Albania's small population size for marketing purposes. As the 1997 pyramid investment scheme (banker scandal) showed, financial crisis can rapidly turn into political clashes between Albania's two solid political and economic interest groups. Post-election boycotting by opposition parties has become almost a tradition in Albania, thus extending the sustainability of contested stances between the two main political interest groups. This is a vicious circle. The Albanian economy is still fragile and prone to crises. Like elsewhere in the region, unemployment is one of the main problems and is not being tackled properly.

Serbia went through several traumas: Under the Milošević regime it embarked on recentralizing Socialist Yugoslavia within which it aimed to achieve Serbian domination, and when this failed Milošević attempted to create a greater Serbia, but this too failed. What is more, Montenegro decided to split from the remaining federal Yugoslavia in 2006, and Kosovo declared its independence in 2008; thus Belgrade ended up with a small Serbia. All these developments have been cycles of trauma for the Serbian population. In Serbia, it is highly unlikely that any political actor can implement a radical decision to accommodate Serbia into purely western international structures. Such traumas cannot be overcome before several generations have passed. Like other Western Balkan countries, Serbia is prone to severe financial and economic crises too.

Given the Greek financial crisis, the Greek economy is likely to face economic and political difficulties similar to those of the whole Western Balkans.

In the early 2000s, the EU appeared to be the most important potential actor to improve the existing minimal stability in the Western Balkans. However, the EU's Western Balkans strategy has not gone beyond "neither total exclusion nor rapid integration." Given the fact that the EU is in trouble itself, we cannot have much hope that it will revise its strategy. This alone is a factor that may transform existing minimal security and stability into social instability.

Conclusion

All in all, it may be stated that in the last two decades both the international community and the Western Balkan countries were satisfied with the minimal security and stability that has helped the Western Balkan countries survive. However, both failed to improve upon the minimal existing security and stability in the region. That is to say that the international and local level strategies failed to produce improvements in survivability. This is the cul-de-sac in which the Western Balkan countries find themselves. Unless both international and local level actors work out a common, feasible new framework to ensure improvement in survivability, it is likely that there will be more instability in the region.

RUSSIA'S VIEW ON KOSOVO: FEAR AND PREJUDICE INSTEAD OF REALITY

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"We do not recognize Kosovo" – the voice of my counterpart, a Russian diplomat in Berlin, has turned icy. Some seconds ago we were sitting in a Lutter & Wegner restaurant in the center of Berlin enjoying a good juicy German schnitzel and were talking about European countries both of us had visited lately. Then I obviously made a mistake – I said, I had visited several Balkan countries, including Kosovo. The diplomat's reaction showed me how important this topic is for Russian foreign policy – even in Berlin. "We do not recognize Kosovo" – he said. – "There is no such country".

True is that Russia's official view on Kosovo is not the most friendly one. There are not many issues in European politics that could provoke a Russian politician as much as that of Kosovo. Of course, the U.S. missile defense facilities in Poland and Czech Republic or the situation with Russian minorities in Estonia, Latvia and Lithuania can easily create huge outrage. But Kosovo has always been one of the biggest wounds in the body of Russian diplomacy.

Russia as a "Great Mother of Balkan Slavs": A Complicated Past

If somebody wants to understand the Russian view on this topic they should look deeper into Russian history. Already in the Czarist era, Russia felt strong ties with the Balkan region. During the Russo-Turkish war in the years 1877-1878, the core idea of the Russian political and military elite was the protection of Christians against "barbaric Islamic hordes". The most famous Russian artists – as for example Konstantin Makovsky, who painted many personal portraits of the members of the Czar's family – produced propaganda paintings, which showed brutal rapes of innocent Bulgarian girls by Turkish *Bashibazouks* – rapes that were said to have taken place in churches, an even greater insult for Russian Orthodox Christians. In the year 1914, the Russian Empire entered World War I with propaganda posters presenting Russia as a supreme protector of "brothers" – the Slavic population on the Balkans. This idea of Pan-Slavism was not very popular in the Soviet era, but has been revived after the collapse of the Soviet Union.

Feeling strong ties to Slavic countries on the Balkans, Russians believe in some sort of a "spiritual brotherhood" between Russia and the Balkans. On the Balkans, there are two countries Russians feel closest to: Bulgaria and Serbia. Only these two countries are often called in Russian *bratushki*, or "dear little brothers." This name symbolizes not just the Russian inspiration about Serbs and Bulgarians, but also the Russian vision of a Russian role in this region – a bigger brother, who protects and controls the younger ones. The rising role of Russian Orthodox Church and its spiritual view of Orthodox Serbs (often meant to be "better Russians") also played its role in the revival of old Czarist views on the

Balkans too. Russia began to see itself again as a "mother" of Slavic peoples in the region – and as their protector.

Operation Allied Force: Fingers in Old Wounds

It is not a surprise that Russian diplomacy felt insulted when NATO started Operation Allied Force in the former Yugoslavia, trying to protect Kosovo Albanians from Serbian brutalities. Prime Minister Yevgeny Primakov, flying over the Atlantic to the U.S., ordered his plane to turn around when he received the news of the U.S. decision to start bombing Belgrade. This theatrical act of Russian diplomacy received great support within Russia – although Russia's most influential newspaper *Kommersant* called this action "a symbolic U-turn from the road to the Western world back to communistic confrontation with Western countries and NATO." This meant very little. Thousands of Russians gathered around the U.S. embassy on the Garden Ring in Moscow and even tried to storm it. On March 22, 1999, a 42-year-old man tried to shoot a rocket-propelled-grenade at the embassy – as he stated afterwards, "as a protest against the U.S. bombing of Serbs".

The escalation of the conflict over the Balkans increased the role of pro-Serbian and anti-Western (especially anti-U.S.) movements within Russia. The Russian internet community celebrated the crash of the U.S. F-117 Nighthawk aircraft. A raid by Russian airborne troops capturing Pristina airport on June 12, 1999, made Russians proud of their army. Not to be forgotten: every soldier, who took part in that raid, received a special "Pristina Raid" medal from the Ministry of Defense, which is still the second most important medal of the Russian Ministry of Defense.

Even more important: Russians' centuries-old fears: "Western countries uniting to support an Islamic struggle against Slavic people on the Balkans" was revived. It was not important for Russians that the Kosovo conflict was not a religious one in reality: for Russians, it was religious, as the old pattern of "Orthodoxy against Islam and Western Countries" required it to be so. Footage of burning orthodox churches in Kosovo has attracted hundreds of thousands of clicks in the Russian internet.

A Mighty Ally: Russian Support for Serbian Kosovo Policy

When Kosovo declared independence on February 17, 2008, Russian politicians felt vindicated in their fears once again. Russian president Vladimir Putin said on February 22, 2008, "Kosovo's example is a terrible one. It destroys the whole centuries-old system of international relations and will have unpredictable consequences. … Those who recognize the independence of Kosovo do not know what they do. They will be hit back by its results". And the First Vice Prime Minister

Dmitry Medvedev said on February 25, 2008, Russia recognized "Serbia as a single state (including Kosovo)" and called Kosovo "a false state". First Vice Prime Minister Sergey Ivanov (a former Russian Minister of Defense) called the declaration of independence of Kosovo "a Pandora's box" and claimed that Kosovo's independence would start "a chain reaction" in the world. "Other non-recognized territories will ask themselves, why would they not do the same", he said. Ironically, the next "territories" which really did the same were the Russian-supported declarations of independence of Abkhazia and South Ossetia. Russian recognition of the independence of these regions on August 26, 2008 could be considered a reaction to Kosovo's independence.

The Pro-Serbian rhetoric by Russian politicians looked like it paid off in Belgrade. While Russian FDI in Serbia reached USD 2.5 billion in May 2012, Russian companies gained control over many important branches of the Serbian economy. Russia's state-owned Gazprom acquired 51% of the Serbian oil company NIS for USD 400 million, and Russian oil company Lukoil acquired 79.5% of the Serbian oil company Beopetrol for USD 300 million. The Gazprom-controlled company Jugorosgaz has constructed and operates the Niš-Leskovac gas pipeline. The Russian metal company UGMK invested USD 35 million into the acquisition and modernization of a pipe production plant in Majdanpek. Russian companies also invest in the Serbian automotive industry, tourism and banking.

Non-Recognition Politics: Preserving Instability

Russian investments in Serbia not only serve economic interests. By supporting Belgrade, Russia has continuously tried to increase the influence of isolationist and nationalist political groups in this country. The presidency of Tomislav Nikolić looks to be the first big victory of Russian foreign policy. Aggressive statements by the newly elected President Nikolić, who denies the Srebrenica genocide and rejects recognizing Kosovo's independence, are highly supportive of Russian Balkan policy, which is also based on the denial of internationally recognized facts about the Balkan Wars. Some days after the elections, Russia granted Serbia a credit of USD 800 million – a sign of Russian support to the new president who said he would never have won the elections, if Vladimir Putin had been his competitor.

Ironically, Russia is the country, which is most interested in preserving some sort of controlled instability on the Balkans. Unsolved problems between countries of the former Yugoslavia mean these countries will be slowed down or even stopped on their way to NATO (NATO expansion is seen in Russia as inevitable, but this doesn't mean Russia will not try to slow it down) and to the EU. This will help Russia to continue increasing its economic influence in the "neutral" region.

From this point of view it should not be surprising that the Russian Ambassador in Serbia Alexander Konuzin blamed Serbian participants of the international Belgrade Security Forum in September 2011 for "not being Serbs," just because Serbian participants did not share isolationist views on Kosovo, expressed by a Russian diplomat. "Are there Serbs in this room? Do you care about the destiny of your compatriots?!" – Ambassador Konuzin exclaimed. "Russia will defend your interests, while NATO member countries, European countries will be opposing your national interests. I have the impression you couldn't care less about what is happening in your country," he continued.

This "Eastern-bloc-style" approach of dictating to Serbs what they should feel about their own politics and to blame them for being "bad Serbs" (or even not Serbs at all) for not sharing the Russian Foreign Ministry's views on their own future shows how Russian diplomacy tries to perpetuate unsolved conflicts between Serbia and Kosovo. These policies are self-serving: as long as Serbia's relations with Kosovo are unresolved, Serbia depends on Russia more than ever. Moreover, while Serbia needs Russia, pro-Russian Serbian nationalists will enjoy strong support in the country, which will create even more instability between Serbia and Kosovo. In other words: the unresolved Kosovo problem will keep Serbia away from Europe and fuel Russian influence in Serbia.

Serbia: The Last Ally?

Russian influence in Serbia based on Russian investments and on Russian politics of non-recognition of Kosovo is not only a tool of Russian Balkan policy. In some ways it is very important for political life in Russia. While a newly elected Russian president Vladimir Putin suffered from protests in Moscow some months ago, in Kosovska Mitrovica the Kosovo Serbian parliament, *Skupsina*, declared him an "honorary citizen" of Kosovo and Metohija. "Russia and personally Vladimir Putin have done more for Serbs in Kosovo than the whole government in Belgrade," Krstimir Pantic, the mayor of Kosovska Mitrovica said. Northern Kosovo may be the only region in the world where people buy portraits of Vladimir Putin and display them – voluntarily.

This demonstrative solidarity with Russia and the Russian president is very important for Russians. After Russia continuously lost most of its former allies and still has not managed to acquire new ones (even Russia's closest allies, such a Belarus, still reject recognizing the independence of South Ossetia and Abkhazia – leaving Russia together with Nicaragua, Venezuela, Nauru, Vanuatu and Tuvalu as the only countries who recognize South Ossetia and Abkhazia), it is very important for Russians to feel welcome at least in Serbia and in Northern Kosovo.

While between 100,000 and 150,000 Russians leave Russia every year, about 30,000 Russians give up their Russian citizenship every year, and even the Russian minorities in Estonia, Latvia and Lithuania (according to the official view of the Russian Ministry of Foreign Affairs – "suppressed" and "discriminated against" in these countries) do not want to come back to Russia, Russian politicians are therefore happy to hear that about 20,000 Serbs from Northern Kosovo asked Russia to grant them Russian citizenship. In November 2011, Russian President Dmitry Medvedev even asked his government to check into the possibility for such large-scale naturalization. The news of the Serbian request for Russian citizenship was also one of the most discussed Balkan news items in Russia.

A Kosovo Conspiracy: In Legends We Trust

The support of Serbian nationalism and Serbian claims on Kosovo is highly popular in Russia and is not just peculiar to only right-wing Russian nationalists, who gladly wear t-shirts with the Serbian coat-of-arms and the words *Kosovo je Srbija* (Kosovo is Serbia). It has become a tradition even for "moderate", conservative Russian journalists, members of parliament, etc. to spend their vacations in Serbia or in northern Kosovo, where "people are brave and friendly and believe in God and Russia". The fact, that Serbia remains one of the last countries where the words "I am Russian" can provoke a positive reaction strongly increases Russian inspiration for the "Serbian struggle for their rights to control Kosovo."

The Kosovo conflict has already become a legend in Russia, even a scary urban legend: one of the most popular stories, even the most skeptical Russians believe to be true, is the story about "underground transplantation stations in Kosovo, where Albanians ripped Serbs to sell their kidneys". The last time I heard this story (with a remark: "even Carla del Ponte acknowledged it was true!") was a month ago in an editorial room of one of the most important Russian newspapers. None of the editors in the room questioned the truth of this urban legend.

Conspiracy theories are traditionally very popular in Russia, where government has been hiding the truth from its own citizens for centuries. It should not be a surprise that in November 2010 the head of the Center for Balkan Crisis Studies of the Russian Academy of Sciences (RAN) Elena Guskova said in an interview with the Russian news agency *Rosbalt*: "Don't forget: there is a huge U.S. military base Bondsteel in Kosovo. It is a huge territory out of the reach of any international control. I have seen information that a well-organized system for human organ transplantation and human organs export exists. We cannot exclude, that one of the reasons the U.S. Americans support the independence of Kosovo and Metohija is that they want to get more

flexibility in these activities. … The former international attorney Carla del Ponte knew about illegal traffic of human organs in Kosovo, but started to talk about it only after her resignation." Mrs. Guskova is not only a high-ranking scientist at the Russian Academy of Sciences, but also a professor at the Russian Diplomatic Academy – so it should not be a surprise that such views are very prevalent within the Russian establishment.

A Lost Region: Summary

As Russian relations with Balkan countries, especially with Serbia, have a history of over one century, it would be naïve to expect significant changes in Russian policies within the next years. The idea that Serbia should be protected at any cost, is not a new Russian invention – this idea is at least 150 years old.

Russia has vital economic and political interests on the Balkans. Russian investments in Serbia are one of the tools by which Russia increases its political influence in this region and Russian political influence in this region is a tool to support investments of Russian companies (including state-owned ones).

Russian attempts to perpetuate conflict between Serbia and Kosovo are based on several motives. First, Russia is trying to improve the position of Russian-friendly Serbian nationalists. Second, Russia wants to keep Serbia away from the EU (which also has economic reasons for Russian investors). Third, a Serbia in need of Russia is very useful for Russian domestic politics, as an example of "true love of Russian values".

The biggest problem and danger posed by Russian Balkan policy is the fact that it is often based on urban legends, conspiracy theories and propaganda. Anti-Western and anti-American myths created by Russian politicians have conquered the minds of their creators, who have started to believe their own propaganda. This could be the most dangerous aspect of Russian Balkan policy, it renders Russian diplomats incapable of dealing with reality.

BLACK SEA REGION: CHALLENGE IN REGIONAL COOPERATION

Sergei Konoplyov
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John F. Kennedy School of Government
Harvard University, Cambridge

The Western Balkans and the Black Sea region play a big role in the pan-European debate on Europe's future. For the last twenty years we could watch Western leaders make great progress in bringing security and stability to countries of the former Soviet Union and Eastern Europe. However, two regions – the Western Balkans and the countries of the Black Sea – are still not a fully integrated part of a secure and prosperous Europe. Both regions play a significant role due to their geopolitical position – both lie at the crossroads between Central Asia and the Middle East. Some of the countries of both regions are already members of NATO and the European Union; however, the destiny of others is still unclear due to internal interests, pressure from external actors or recent EU/NATO policies.

According to a paper published by the Center for Applied Policy Research,[1] the Balkans and Black Sea regions are characterized by numerous common risks and challenges:

- Fragile statehood (autocratic governance; weak democratic institutions; corruption; poor economic performance; inability to maintain territorial integrity)

- Questions of regional identity (Balkans vs. Southeast Europe; littoral Black Sea vs. Wider Black Sea region including the Caucasus and Moldova)

- A historical legacy of ethno-religious conflicts (Bosnia, Kosovo and the frozen conflicts – Nagorno-Karabakh, Abkhazia and South Ossetia, Transnistria)

- The role of external players – enlargement of the EU and NATO, the United States and Russia

- New global factors that affect both regions: a pause in NATO expansion, the EU economic crisis

- Energy security – competition between the EU and Russia over energy supplies from the Caspian basin and Central Asia to Europe; use of energy as a soft power tool by Russia

This paper gives a short description of cooperation efforts in the Black Sea region with a focus on the security dimension.

For many centuries control over the Black Sea was contested between Russia and Turkey. However, unlike the Baltic Sea, for example, there has never been a common name for the whole region. In the nineteenth century, each group of people in this region had a dif-

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[1] Kempe, Klotzle: The Balkans and the Black Sea Region: Problems, Potentials and Policy Options, CAP Policy Analysis, 2/2006.

ferent name for that sea in their respective languages. During the Cold War the Black Sea was not only a natural barrier between East and West but also a political and military border between NATO and the Warsaw Pact. After the fall of the Berlin Wall twenty years ago, considerable changes in the ideological, political, military and economic spheres took place. Black Sea countries that used to be divided by the Black Sea became a part of a new international reality. The United States' role in the region started to be more visible especially after September 11, 2001. The enlargement of both NATO and the European Union influenced the countries' behavior significantly in their relations with each other and international actors. The rise in prices for energy gave Russia new tools with which to shape its strategy in the international arena, and specifically in the Black Sea region that Russia still considers its sphere of influence. Moscow attempts to control former Soviet republics and resist attempts, mainly by the United States, to bring those states into Euro-Atlantic security and economic structures. In a word, the Black Sea is a region where we could see many forms of cooperation. However the potential has not been fully exploited. There are many reasons for this: from the different approaches of the six coastal countries regarding security and stability in the region to the legacy of history and the difficult processes of democratic and economic reform. In addition, the constituent states are faced with a form of cooperation that tends to frustrate efforts to enhance security cooperation. The same is true in economic cooperation, especially in the energy field. The Black Sea area is on its way to becoming one that is a recognizable part of Europe, much as the Baltic states, the Balkans or the Mediterranean.

The Wider Black Sea is a region that embraces several sub-regions. It is more a heterogeneous region or it might even be described as a multifaceted 'network'. It is comprised not only of littoral states (Turkey, Russia, Bulgaria Romania, Ukraine, Georgia), but also adjacent ones, such as Greece, Moldova, Azerbaijan and Armenia. All countries belong to other regions as well - such as Southeast Europe, the Caucasus, Central Asia, and the Mediterranean. The Wider Black Sea region is also characterized by structural heterogeneity, due to the diverse links of each country with the EU and other international organizations that have significant impact on the domestic and foreign economic policies of actors such as NATO or the European Union.

But before talking about the Black Sea region I would like to give several examples of sub-regional cooperation and European integration. In his article "Sub-Regional Cooperation and the Expanding EU" Svetlozar Andreev[2] correctly notes that historically sub-

regional cooperation has always been part of the European political landscape. The Benelux countries (Belgium, Netherlands and Luxembourg) were the first true post-Second World War regional organization, whose members created a customs union as early as 1947. Later on, the three Benelux countries were at the heart of the European integration process and they became cofounders of the European Coal and Steel Community (1951). They were also among the 'original six' who signed the Treaty of Rome (1957) that gave birth to the European Economic Community (EEC). In a similar vein, the Nordic Council has been a long-standing example of enhanced interstate cooperation in the northern part of Europe. This organization has been active in numerous policy spheres throughout its existence, but, primarily, it has been responsible for promoting multilateralism among the Scandinavian and other North European countries. During the last fifteen years, the Nordic Council has been involved in three important projects: in assisting the post-communist transformation of the Baltic states, in helping the majority of its members join the EU (in 1995 and 2004) and, recently, in promoting the 'Northern Dimension' in an enlarged EU.

A fairly high number of regional and sub-regional cooperation organizations was established following the demise of the communist regimes in Central and Eastern Europe (CEE). Many of these arrangements were organized as 'clubs', based on the exclusionary sub-regional identity of part of the CEE countries and depending on the progress made by individual applicant states towards EU accession. Such were, for instance, the Visegrad and the Baltic-3 regional groupings. The same is also true of the Central European Free Trade Area (CEFTA) before it gradually opened up to other accession countries such as Slovenia (1996), Romania (1997), Bulgaria (1999) and Croatia (2003). A number of the sub-regional initiatives in Central and Eastern Europe were deliberately promoted by individual West European countries. This was mainly done in order to facilitate the transition of the post-communist countries to democracy and a market economy, as well as to encourage trans-border cooperation and good neighborly relations. For instance, Italy and Austria launched the Central European Initiative (CEI) during the early 1990s, while, further north, the Cooperation Council of the Baltic States was predominantly sponsored by Germany and the Scandinavian countries. In the Balkans, Greek diplomacy was very active in creating the first broad-based regional organization, the South East European Cooperation Process (SEECP). Having been started during the mid-1980s and revived in 1996, this initiative has explicitly prioritized multilateralism and regional ownership.

The Black Sea lies on a crossroads. The countries that are part of this region used to belong to different civilizations. Fifteen years ago nobody was talking about cooperation because the region did not exist. The CIS countries were still struggling trying to restore broken

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2   Svetlozar A. Andreev, Sub-regional cooperation and the expanding EU: the Balkans and the Black Sea area in a comparative perspective, Journal of Balkan and Near Eastern Studies, Volume 11, Issue 1 March 2009 , pages 83-106.

economic ties. Romania and Bulgaria were working on integration with Europe. Cooperation in the broad sense of this word was not regional because national interests always prevailed. The countries that wanted to act as a regional body were usually weak, and were trying to get their common interests protected. Let us take as an example GUAM (Georgia, Ukraine, Azerbaijan, and Moldova). GUAM was created as an international alliance to make Russia withdraw its troops from those countries. GUAM's agenda included everything – from political consultations to energy, trade and military-technical cooperation. However, statistics showed that trade between GUAM countries was minimal compared to other states. Another example relating to GUAM: its members failed to demonstrate unity in their positions after the Georgian war in August 2008. Moldova and Azerbaijan were not very enthusiastic about plans to develop GUAM peacekeeping capabilities to replace existing Russian and CIS peacekeepers in zones of conflict.

There are three major factors that shape cooperation in the region:

(i) Mainstream European integration – NATO and EU enlargement.

In 2005 Bulgaria and Romania became NATO member states. However, after the Bucharest Summit in 2008, it became clear that Georgia and Ukraine could not count on receiving Membership Action Plans (MAPs) in the near future. Moreover, the war between Russia and Georgia in August 2008 put Georgia in such a position that now even President Saakashvili does not believe that Georgia can achieve membership. In his interview with *The Wall Street Journal,* he stated that his "country's hopes of joining NATO are 'almost dead'." Before the August war, Mr. Saakashvili spoke confidently of his country's accession to NATO and the European Union, and its imminent reunification with the two breakaway regions – South Ossetia and Abkhazia. Now, the Georgian president says that it seems unlikely that all three goals will be achieved any time soon.

As to Ukraine – another country that experienced a "color revolution" – it became a victim of a power-struggle between the President and the Prime Minister. The current political and economic situation in this important country makes Ukraine ineligible for both NATO and EU membership for the foreseeable future.

(ii) A consortium of institutional initiatives in the region.

Some interested organizations sometimes present visions for the Black Sea region that are disparate and differently focused. The Community of Democratic Choice (CDC) and the Black Sea Forum for Dialogue and Partnership could be good examples. We can talk about them later in more detail.

(iii) Strong lobbying by private Western organizations.

The German Marshall Fund of the USA was very active in promoting a regional approach to the Black Sea region. Together with Transitional Democracies they organized high profile events and publications before the three previous NATO Summits: in Istanbul, Riga and Bucharest. With their help and with the support of the U.S. government, a new organization was established – The Black Sea Trust with twenty million U.S. dollars to support Black Sea regional cooperation, mostly East to East projects. This Trust is headquartered in Bucharest and is also supported by the Romanian government. This initiative is a replication of the successful Balkan Trust for Democracy (BTD), a USD thirty million fund that has distributed millions in grant funding to promote regional cooperation and reconciliation, civil society development, and democracy-building ideas and institutions throughout the Balkans.

The EU is already a Black Sea actor and at the same time the region has also become a natural new Eastern neighborhood. EU aspirations reflect the same objectives that lay at the source of the transitions in Central, East, and Southeast Europe – to extend the European space of peace, stability and prosperity based on democracy, human rights and rule of law. This vision is an integral part of the European Security Strategy that was adopted well before the EU reached the shores of Black Sea. However, interaction with the Black Sea region is much more challenging for the EU than its recent experience with Central, East, and Southeast Europe.

In 2006 the EU introduced its European Neighborhood Policy (the so-called ENP plus) so that the EU would have more leverage with its neighboring countries. Within ENP plus resides a new initiative crafted to find a new model of cooperation with the region termed "Black Sea Synergy." It is called Synergy—rather than strategy—because the EU already has different strategies with individual countries in the region. The use of this term indicates that the EU will try to pull together different inputs, lessons and bilateral initiatives into this new regional framework rather than create a whole new policy.

What are the main obstacles to this policy?

The EU's new Neighborhood Policy puts together an extremely heterogeneous group of countries and offers them all roughly the same deal.

The other obvious stumbling block is Europe's very awkward partnership with Russia. The EU and Russia speak of their relations as a 'strategic partnership'; however, such a partnership does not exist in reality. Russia quite clearly does not seem to take EU institutions very seriously and prefers to discuss matters with individual member states. That gives Moscow an ability

to divide and rule. Moreover Russia tries to make separate deals with individual European countries (mostly for energy supply) making it difficult for Brussels to come up with a comprehensive strategy supported by all EU members.

The last reason why the EU decided to move into the Black Sea region is because of a number of homegrown regional initiatives, the most important being the Black Sea Economic Cooperation (BSEC) initiative. The operational impact of the BSEC has been limited due to its arrangement as a forum for dialogue and because of competition among the members of the organization. The BSEC, which remains a product of a joint Greek-Turkish initiative, has caused other countries around the Black Sea to launch parallel initiatives in the region. Among the most important of these parallel initiatives is the CDC, which was launched by Ukraine and Georgia, and the new Organization for Democracy and Economic Development GUAM. The aim of these organizations is to spread democracy and freedom from the Black to Baltic Sea regions but they have not been successful due to their lack of resources and political will. The problem with these parallel initiatives is that countries involved in them often overlap and promote several organizations in the same regional area.

What models could the European Union use to foster Black Sea regional cooperation? The EU is not new to launching regional initiatives in its neighborhood. In his article "A Synergy for Black Sea Regional Cooperation" Dr. Fabrizio Tassinari mentions three regional initiatives.[3]

The first EU regional initiative is the Euro-Mediterranean Partnership with the Mediterranean countries in the South. The Barcelona Process, as the partnership is also known, has had an enormous advantage of sponsoring dialogue and confidence around the region. The EU has been successful in promoting social and cultural initiatives to link the northern and southern regions of the Mediterranean and has tried to provide a holistic approach to regional security interdependence. However, these strengths have also been a liability, as they hampered the role of the EU on the political and security side. The policy has been ineffective because the geographical area it works in is heterogeneous and substantial political consensus has rarely been forthcoming. This regional context is in some respects comparable to the one in the Black Sea region, with a huge, heterogeneous area where some bilateral relations remain tense and others are 'frozen' by ongoing conflicts.

The second model which has been more successful than the Euro-Mediterranean Partnership is the Stability Pact for South-East Europe. The success of the Stability Pact

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3   http://www.ceps.eu/node/1178.

is due to its ability to coordinate international actors and donors in the Western Balkans. It has had the advantage of sending a very strong signal to the region and to Europe that the EU cares about the Balkans and that it was going to pool together all of its resources and efforts to make it succeed.

The third model is the Northern Dimension Initiative. This model is important for two reasons. The first reason is that the initiative is the result of a bottom-up process. There was a plethora of regional initiatives in the Baltic Sea area before the EU got involved. Therefore, when the EU launched the Northern Dimension it could complement what was already going on there. The other major asset of this initiative is that it includes Russia. This perhaps constitutes the only reason for keeping the Northern Dimension alive since the other members are now members of the EU and NATO.

In May 2009 the European Commission launched a new initiative in the Black Sea Region titled the "Eastern Partnership" (EaP). It offers both bilateral and multilateral measures for enhanced cooperation and it goes beyond the ENP with a view to putting at least some of the partners on the path to EU membership. This by itself is the strongest incentive given to the states. It has increased funding. Indeed, there is a substantial increase from €450 million in 2008 to €785 million in 2013 that amounts to a supplementary envelope of €350 million in addition to the planned resources for 2010-2013.

EaP's main initiatives are: i) an integrated border management program; ii) small and medium-sized enterprise facilities; iii) regional electricity markets and energy efficiency; iv) a Southern energy corridor; v) prevention of, preparedness for, and response to natural and man-made disasters.

Regional cooperation can be fostered by initiatives of the member countries of any given region or might be inspired by external actors such as NATO and the EU. Countries of the Black Sea sometimes put themselves in different regional dimensions: Eastern Europe, the Caucasus, Southeast Europe, the Caspian Region and the CIS. They feel different and keep their different approaches. Even if they aspire to join the transatlantic framework on many occasions they still regard regionalism only as a way to serve national interests.

So what is regional strategic cooperation and does it exist in Black Sea region? Regional security partnership is a security arrangement of an international region that originates from inter-governmental consensus to cooperate on dealing with security threats and on enhancing stability and peace in the region by making use of different types of agreements, instruments and mechanisms such as formal security treaties, international organizations, joint action agreements, trade and other economic agreements, multilateral dialogue processes, peace and stability pacts including confidence-building

measures, measures of preventive diplomacy, and measures dealing with the domestic environment. Briefly, the security arrangement of the region is an arrangement of co-management, and all the countries contribute as partners within a composite framework of institutions and practices. As long as a security partnership develops, the security cultures and policies of the countries of the region will converge, and a security community can emerge. Does that apply for Russia and Georgia or Armenia and Azerbaijan, or Moldova and Romania? Probably it does not. This proves that the region does not have enough regional cohesiveness.

One of the reasons is that many Black Sea countries use regional cooperation mostly as a jumping board to premium clubs such as NATO and the EU. However now that NATO and the EU have taken a time out, the Black Sea countries should be more practical in terms of regional approach.

The so-called frozen conflicts in the Black Sea constitute another serious obstacle on the path to stronger cooperation. There is at present no solution in sight for any one of them: Transnistria in Moldova, Abkhazia and South Ossetia in Georgia and Nagorno-Karabakh in Azerbaijan. Russia plays a decisive role in finding a peaceful solution to these conflicts. However, the events of August 2008 clearly illustrate that military action still represents the quickest way.

Despite the negative trends, there are many positive examples of cooperation within regional organizations. One of the most successful is the BSEC. It was established in 1992 at the initiative of Turkey and Greece. It is supposed to be a model multilateral, political and economic initiative aimed at fostering interaction and harmony among the member states, as well as ensuring peace, stability and prosperity, and encouraging friendly and good-neighborly relations in the Black Sea region. This is the only full-fledged organization that includes all littoral countries including the Russian Federation. However, its membership has not been restricted to countries that have access to the Black Sea: Albania, Armenia, Azerbaijan, Greece, Moldova, and Serbia do not have a coastline on the Black Sea and are members. BSEC has its own financial institution. The Black Sea Trade and Development Bank (BSTDB) was formed in 1997 to support economic development and regional cooperation by providing trade and project financing, guarantees, and equity for development projects supporting both public and private enterprises in its member countries. The objectives of the bank include promoting regional trade links, cross country projects, foreign direct investment, supporting activities that contribute to sustainable development, with an emphasis on the generation of employment in the member countries, ensuring that each operation is economically and financially sound and contributes to the development of a market orientation.

Another example of regional cooperation is the Black Sea Naval Co-operation Task Group (BLACKSEAFOR). It was created in early 2001 under the leadership of Turkey with the participation of all other Black Sea littoral states.

The original purpose of BLACKSEAFOR was to promote security and stability in the Black Sea maritime area and beyond, strengthen friendship and good neighborly relations among the regional states, and increase interoperability among those states' naval forces. Soft security efforts and military activities, in addition to political dialogue, are being pursued in this framework. Search and rescue operations, environmental protection, and mine-clearing were among the initial activities of BLACKSEAFOR. After the terrorist attacks in the USA on September the 11th, 2001, BLACKSEAFOR's area of responsibility was expanded in order to include the fight against terrorism. Littoral countries are still working on BLACKSEAFOR's transformation process, in order to better adapt the force to the new security environment.

There are some examples of regional cooperation, which were initiated and supported by the United States. It is interesting to mention that the interest of the United States in the Black Sea actually goes back a very long way. One of the founders of the United States Navy, John Paul Jones, served on the Black Sea as an admiral in the fleet of the Russian Empress Catherine the Great. This was perhaps the first example of naval cooperation between a Black Sea nation (in this case Russia) and the United States. It's an early illustration of how U.S. and Russian histories and interests have been connected.

One of the initiatives supported by the U.S. Department of State is the Southeast European Cooperative Initiative for Combating Trans-border Crime (SECI Center). It is a unique operational organization that facilitates the rapid exchange of information between law enforcement agencies from different countries regarding trans-border criminal cases. The words "facilitates the rapid exchange of information are in bold" and that is exactly what we try to achieve here. The SECI Center's network is composed of Liaison Officers of Police and Customs Authorities from the member countries, supported by twelve National Focal Points established in each member state. The NFP representatives stay in permanent contact with the liaison officers in the headquarters and keep close relationships with the police and customs authorities in the host countries. Unfortunately, not all Black Sea countries participate in this organization – among them Russia and Ukraine. That leaves a large part of Black sea coast line without control.

There is another organization that also provides information about illegal activities in the Black Sea – the Black Sea Border Coordination and Information Center (BSBCIC). It was established in 2003 and is based in

Bourgas, Bulgaria. Its main mission is to develop cooperation and interaction between the border/coast guards of the Black Sea countries for counteracting transborder criminality and terrorism as a guarantee for security and stable development in the Black Sea region. For some reason it's not linked to the SECI Center despite the fact that they have the common goal of providing border security. Also, both organizations do not focus on terrorism or non-proliferation in the region.

Another U.S. supported initiative is the Black Sea Strategy of Defense Threat Reduction Agency (DTRA). In the initial stage, it foresees a series of conferences in the region to bring together representatives from Black Sea countries who work on non-proliferation issues. The goal of the workshops is to promote discussion among regional partners regarding the need to improve information exchange, and ways to bring about improvements in the process of threat assessment.

There is another program that is funded by the U.S. Department of Defense. It is called the Black Sea Civil Military Emergency Preparedness program. The purpose of this program is to promote inter-ministerial and international cooperation in mitigation and emergency planning in the Black Sea littoral nations.

The major problem is that the U.S. Government does not have a comprehensive policy toward the region even if some of its agencies are trying to adopt a regional approach. Another drawback of these U.S.-led initiatives is that Russia regards them as anti-Russian and does not participate in any of them. One example could serve as a good illustration. When the Romanian government launched the Black Sea Forum for Partnership and Cooperation in 2006, Russia refused to participate in it. The Russian ambassador only attended the opening session.

In conclusion, let us highlight some of the major points that characterize the current situation with the cooperation in the Black Sea region.

At present, regional cooperation targeting synergies in the Black Sea region clearly lacks the leadership necessary to bridge the obvious lack of converging interests of the countries. Thus, a stronger institutionalized coordination mechanism would be helpful. A strong commitment by the EU and its member countries, in particular its EU Black Sea states, accompanied by visible regional projects and programs, is essential. Considering Russia's undeniable role as a regional power (albeit lacking a regional strategy of its own) and the recent reinvigoration of Turkey's regional role, proper engagement of both countries is equally essential.

The complementarily and division of labor among the key formats for regional cooperation – EaP, BSS, BSEC, etc. – require further attention, clarification and elaboration. The EU and other organizations should focus on flagship projects with regional ownership, and a bottom-up approach responsive to the region's shared objectives. This would increase the potential for synergy, more than a top-down grand strategy of overly ambitious agendas that eventually fails to produce much-needed tangible results for the Black Sea countries. Sectoral partnerships focusing on areas such as transport, energy, and environment seem to be most promising.

As external actors are eventually caught up in existing conflicts in the region, conflict resolution should be integrated into any regional approach. While new approaches to some of the conflicts experienced over the last year are quickly caught up by realities, negligence cannot be afforded either. In this context, Russia's role as a "hybrid actor" poses particular challenges.

Some issues cannot be solved bilaterally – environment, pandemics, transport, migration, organized crime etc. – they can only be dealt successfully in a regional format.

The Black Sea is still a region in the making and needs time and good governance to become a success story of regional cooperation. However the lessons from cooperation efforts, especially in the security area, success stories or those of failed attempts could be useful for Southeast Europe and vice versa in both sub-regions pursuit of peace, security, stability, democratization and economic prosperity.

The Aspen Institute | Germany

THE FUTURE ROLES OF NATO AND THE EU IN SEE - EU ENLARGEMENT AND TRANSATLANTIC CHALLENGES

September 05-08, 2012 | Durrës

In cooperation with:

REPUBLIKA E SHQIPËRISË
MINISTRIA E PUNËVE TË JASHTME
Ministry of Foreign Affairs

100 Vjet Pavarësi

Stabilitätspakt für Südosteuropa
Gefördert durch Deutschland
Stability Pact for South Eastern Europe
Sponsored by Germany

Auswärtiges Amt

Accommodation & conference venue: Adriatik Hotel, Plazh Durrës; conference room Albania Saloon

Wednesday, September 05, 2012

During the day, arrival of participants, transfer to the hotel organized by the Protocol Department of the Ministry of Foreign Affairs of the Republic of Albania

19:00   Departure from the Hotel Lobby

20:00   Reception and Welcome Dinner at the invitation of H.E. Sali Berisha, Prime Minister of the Republic of Albania
Venue: Pallati i Brigadave

Thursday, September 06, 2012

09:00 - 09:15   **Opening of the Conference**
Welcome Address by H.E. Edmond Panariti, Minister of Foreign Affairs of the Republic of Albania (public speech, media will be present)

09:15 – 10:45   **Session I:**
The Future Role of NATO in Southeast Europe

The meeting will discuss the future role of NATO in Southeast Europe, in particular with regard to NATO membership prospects for Macedonia, Bosnia and Herzegovina and Kosovo. Moreover, discussions will include the future role of Serbia. This session will further develop ideas on how to deal with the supra-regional security implications that NATO involves for most countries in Southeast Europe, in particular with regards to Russia. How can regional cooperation in the context of NATO membership be improved? What has the experience of those countries that are already member states been? Finally, recommendations for NATO's future relationship with other security institutions such as the Organization for Security and Co-operation in Europe (OSCE), the Collective Security Treaty Organization (CSTO) and the European Union (EU) will be developed.

Moderator:	Hansjörg Brey
Speakers:	Yuri Andreev, *The Future Role of NATO in Southeast Europe*
	Leonard Demi, *Smart Defense in South Eastern Europe - Regional Cooperation and Coordniation, the Pooling and Sharing of Defense Assets, Specialization*
	Alexander Nikitin, *Crises Response and Peace Support Capabilities of Eurasian Regional Organizations*
	Nikolaus Graf Lambsdorff, *Commentary*
	Philip T. Reeker, *Commentary*
	Konstantin Samofalov, *Commentary*
	Ana Trišić-Babić, *Commentary*
	Zoran Vujić, *Commentary*

10:45 – 11:15	Coffee Break

11:15 – 12:45   **Session II:**
Options for a Regional Security Framework

Considering the reluctant attitude of the Republic of Serbia towards NATO member-
ship and the very different speeds of integration of the different Southeast European
countries, is there a need for a new regional security framework that can comprise
all countries of the region including Serbia and Kosovo? This meeting will discuss
the question whether a new regional security forum is needed and will develop ideas
on what such a forum might look like. How can the different security interests and
concerns of all players in the region be accommodated adequately? What roles can
Russia, Turkey, the U.S. and EU member states play?

Moderator:	Peter Eitel
Speakers:	Filip Ejdus, *The Limits of Liberal Peace in the Western Balkans*
	Dane Taleski, *Regional Security Framework in Southeast Eu-rope: Just a Step Away?*
	Chris Deliso, *Commentary*
	Edith Harxhi, *Commentary*
	Ljiljana Janković, *Commentary*
	Petrit Selimi, *Commentary*
	Biljana Stefanovska-Sekovska, *Commentary*

13:00   Departure from the Hotel Lobby to Tirana

14:00 – 16:00   Lunch reception at the invitation of Erik Tintrup, Chargé d'Affaires a.i., Embassy of
the Federal Republic of Germany to the Republic of Albania, and Henry Jardine,
Chargé d'Affaires a.i., Embassy of the United States of America to the Republic of
Albania
Venue: Sarajet Restaurant

16:00 – 17:00   Meeting with Lulzim Basha, Mayor of Tirana
Venue: City Hall

17:00 – 18:00   Meeting with H.E. Bujar Nishani, President of the Republic of Albania
Venue: Office of the President

18:00 – 18:30   Guided tour through the City of Tirana

19:30 – 21:30   Dinner at the invitation of H.E. Edmond Panariti, Minister of Foreign Affairs of the
Republic of Albania, and H.E. Edith Harxhi, Deputy Minister of Foreign Affairs of
the Republic of Albania
Venue: Dy Kitarat

Friday, September 07, 2012

08:15	Departure from the Hotel Lobby to the Old City of Berat
09:30 – 10:30	Visit of Berat Castle
10:30	Departure to Vlora
12:00 - 12:30	Short guided tour through Vlora (Square Pavaresia)
12:30 - 14:00	Lunch at Restaurant Paradise
14:00 - 15:00	Boat trip from Vlora Harbor to Vlora Bay
15:30	Departure to Durrës

17:00 – 18:30   **Session III:**
EU Enlargement - What Next?

During this session, the current state of the Western Balkans' EU Integration will be discussed. In this context, the following questions will be answered: what are the most important issues that need to receive more attention? What potential is there for increased regional cooperation efforts with regard to EU integration? How can the EU better support the reform efforts of Western Balkan countries? Does the EU push for reform in the Southeast European countries sufficiently/too much? Are the Southeast European countries themselves working hard enough to fulfill EU membership criteria? What roles can the U.S., Russia and Turkey play in this context?

Moderator:	Sonja Licht
Speakers:	Dimitar Bechev, *Whither EU Enlargement?*
	Dušan Reljić, *Western Balkans and the EU: Growing Risks, Uncertain Chances*
	Majlinda Bregu, *Commentary*
	Ditmir Bushati, *Commentary*
	Dietrich Jahn, *Commentary*
	Petar Mihatov, *Commentary*
	Ettore Francesco Sequi, *Commentary*

18:30 – 19:00   Coffee Break

| 19:00 – 20:30 | **Session IV:** |
| | **The Role of the EU in Advancing Regional Security in Southeast Europe** |

This meeting will discuss the range of options the EU has in the context of its Common Security and Defense Policy (CSDP), and evaluate missions like the European Union Force missions in Macedonia and Bosnia and Herzegovina, the EU Police Mission (EUPM) in Bosnia and Herzegovina, and the European Union Rule of Law Mission (EULEX) in Kosovo. Moreover, it will look at the EU in terms of the 'soft power' tools at its disposal and their contribution to the sustainable stabilization of Southeast Europe. What roles can the U.S., Russia and Turkey play in this context? Can different EU integration speeds create new tensions between Southeast European countries and if so, what should EU member states and regional governments do to avoid this?

Moderator:	Ian Bancroft
Speakers:	Murat Önsoy, *The Efficacy of the EU's Soft Power: Security in the Western Balkans and Turkey's Impact*
	Sergey Sumlenny, *Russia's Balkan Policy: More EU and Less NATO, Please*
	Kurt Bassuener, *Commentary*
	Joachim Bertele, *Commentary*
	Oliver Ivanović, *Commentary*
	Ettore Francesco Sequi, *Commentary*

| 20:30 | Dinner |
| | Venue: Hotel terrace |

Saturday, September 08, 2012

Departure of participants during the day, transportation to the airport by the Protocol Department of the Ministry of Foreign Affairs of the Republic of Albania

Andreev, Yuri

Bancroft, Ian

Bassuener, Kurt

Bechev, Dimitar

Bertele, Joachim

Bregu, Majlinda

Brey, Hansjörg

Bushati, Ditmir

Deliso, Chris

Demi, Leonard

Eitel, Peter

Ejdus, Filip

Harxhi, Edith

Hroni, Sotiraq

Ivanović, Oliver

Jahn, Dietrich

Janković, Ljiljana

Jardine, Henry

Lambsdorff, Nikolaus Graf

Licht, Sonja

Mihatov, Petar

Moore, Jenifer

Nikitin, Alexander

Önsoy, Murat

Panariti, Edmond

Reeker, Philip T.

Reljić, Dušan

Samofalov, Konstantin

Sandikli, Atilla

Selimi, Petrit

Sequi, Ettore Francesco

Stefanovska-Sekovska, Biljana

Sumlenny, Sergey

Taleski, Dane

Tintrup, Erik

Trišić-Babić, Ana

Vujić, Zoran

Weinberger, Peter

Yurdusev, Nuri

Aspen Institute Germany

Mallory IV, Charles King
Executive Director

Esch, Valeska
Senior Program Officer

Kabus, Juliane
Program Assistant

PARTICIPANT BIOGRAPHIES

Yuri V. Andreev

Yuri Andreev is currently lead research officer at the Institute of World Economy and International Relations (IMEMO) of the Russian Academy of Sciences. His research focuses on the geostrategic position of Russia, on peace, conflict, disarmament and conversion. Mr. Andreev has published in the journal "Ways to Security", the online journal of the Strategic Culture Foundation, the online newspaper "Stoletie" and others. Mr. Andreev worked as junior researcher at IMEMO and as senior area officer in the United Nations Development Program (1966-1972). He participated in NATO conferences in Brussels in 1994 and 1996 and in other NATO meetings. He is an associate academic of the International Informatization Academy and Secretary of the Russian Commission for Promotion of Conversion. Mr. Andreev was born in 1936. He graduated from the Moscow State Institute of International Relations of the Ministry of Foreign Affairs of the USSR and holds a PhD in Economics.

Ian Bancroft

Ian Bancroft is co-founder and executive director of TransConflict, an organization undertaking conflict transformation projects and research. He regularly writes for *The Guardian*, *UN Global Experts* and *Business New Europe* on Western Balkan affairs, focusing primarily on Serbia, Kosovo and Bosnia-Herzegovina, and has provided analysis and insight to a variety of media outlets, including the BBC, Radio Free Europe and Voice of America. Ian has delivered trainings on conflict sensitivity to UN staff in south Serbia, taught a course on south Serbia at Singidunum University's Center for Comparative Conflict Studies (CFCCS) in Belgrade and was part of a UN-funded research team exploring the drivers of conflict in south Serbia. Ian has spoken at a number of international conferences on a range of topics related to peace building in post-war contexts. Ian was previously employed as a consultant to the Democratization Department of the OSCE Mission to Bosnia-Herzegovina, where he worked on strengthening local governance and civil society. He completed his undergraduate and post-graduate studies at the London School of Economics (LSE), focusing primarily on democracy and democratization, particularly in deeply divided societies.

Kurt Bassuener

Kurt Bassuener is an independent policy analyst living in Sarajevo, Bosnia and Herzegovina. He is co-founder and Senior Associate of the Democratization Policy Council, a global initiative for accountability in democracy promotion. His opinion pieces and analyses on a variety of topics (Bosnia, war crimes accountability, promoting intervention in Syria, etc.) have been published in *The Irish Times*, *Washington Post, International Herald Tribune*, *Wall Street Journal Europe*, *Christian Science Monitor, Jane's Defense Weekly*, and the *European Voice.* He has testified before the Oireachtas' (Irish Houses of Parliament) Joint Committee on European Affairs (2008, 2010) and the U.S. Congress' joint Helsinki Commission (2011). Previous positions include: Strategy Analyst at the Office of the High Representative (2005-2006); Political and Campaign Analyst for the OSCE-ODIHR's Election Observation Mission in Ukraine in 2004-2005; co-founding/co-directing the Democratization Policy Institute (2000-2002); acting Assistant Director for Government Affairs at the International Rescue Committee (2001); Program Officer, U.S. Institute of Peace Balkans Initiative (2000-2001); Associate Director of the Balkan Action Council (1998-2000); and Policy Analyst at the Balkan Institute (1997-1998). He received his MA in European Studies from the Central European University in Prague (1994); his thesis advocated a standing all-volunteer UN peacekeeping division under the Security Council. He earned his BA in International Relations from American University's School of International Service (1991).

Dimitar Bechev

Dimitar Bechev is a Senior Policy Fellow and Head of the European Council on Foreign Relations' (ECFR) office in Sofia. He is also affiliated with Southeast European Studies at Oxford (SEESOX), St Antony's College, Oxford. In 2006-2010, Mr. Bechev was a Research Fellow at Oxford's European Studies Centre and held a lectureship in International Relations at Worcester College, Oxford and a visiting professorship at Hitotsubashi University in Tokyo. He is a Region Head for Central and Eastern Europe at Oxford Analytica, a leading consultancy on current political and economic affairs. Mr. Bechev's areas of expertise are: EU enlargement and Neighborhood Policy, the politics of wider Southeast Europe (post-communist Balkans, Greece, Turkey), EU-Russia relations and Euro-Mediterranean relations. He is the author of *Mediterranean Frontiers: Borders, Conflict and Memory in a Transnational World* (2010, co-edited with ECFR Council Member Kalypso Nicolaidis) and *Constructing South East Europe: the Politics of Balkan Regional Cooperation* (2011) as well as articles in leading periodicals such as the *Journal of Common Market Studies* and *East European Politics and Societies*. He holds a D.Phil. (2005) in International Relations from the University of Oxford as well as graduate degrees in International Relations and Law from Sofia University. Mr. Bechev is fluent in a number of languages including English, Russian and Serbo-Croatian. Source: http://ecfr.eu/content/profile/C53/

Joachim Bertele

Joachim Bertele is Deputy Head of Division 212 Bilateral Relations to the Countries of Central, Southeastern and Eastern Europe, Southern Caucasus and Central Asiain the German Federal Chancellery. He is a diplomat of the German Foreign Office with earlier postings in Paris (Cabinet of then Prime Minister Fillon and the German Embassy), South Korea, the Foreign Office (desk officer Serbia, Montenegro 1999-2001) and the Federal Chancellery. He studied law in Konstanz, Geneva, Leuven and Freiburg. He received a Master of Law from Cambridge and a PhD from Freiburg. Dr. Bertele is married and has two children.

Majlinda Bregu

Majlinda Bregu has been Minister for European Integration of the Republic of Albania since March 2007. She has been a Member of Parliament for the Democratic Party since July 2005. In July 2005 until March 2007 she was Head of the Albanian Parliamentary Delegation to the European Parliament, Member of the Health and Social Issues Parliamentary Commission and Head of the Sub Commission on Minors and Gender Equality of the Albanian Parliament. In 2004, Ms. Bregu was Member of the National Council of the Democratic Party and Coordinator of Social Policies at the Political Orientation Committee of the Democratic Party. She holds a PhD from the University of Urbino (Italy) and since 1996 she has been a professor for "Research Methods and Gender Issues" at the University of Tirana, Faculty of Social Sciences.

Hansjörg Brey

Dr. Hansjörg Brey (German national, born 1956) obtained his doctorate in Economic and Social Geography from Munich Technical University. He has been Executive Director of the Southeast Europe Association (Südosteuropa-Gesellschaft / SOG, www.sogde.org) since 1996. He is also Editor-in-chief of the SOG's renowned bi-monthly journal "Südosteuropa Mitteilungen.*"* As a forum for communication and exchange of information, the SOG assembles more than 800 members from politics, business, academia and media and is a unique hub of expertise in the German speaking area. The main task of the SOG is to foster and enhance the relationship between the Federal Republic of Germany and the countries in Southeast Europe in the fields of science, economy and culture, and to deepen the knowledge about the historical and recent developments in this region. According to the SOG's mission, successful research and solutions for existing problems require a dialog that is orientated towards the future and transcends states and interest groups. The SOG enhances such dialogue through the creation and support of national, international, and interdisciplinary co-operation. The SOG also provides a forum for impartial discussions of contemporary political, economic, legal and social developments in Southeast Europe.

Ditmir Bushati

Ditmir Bushati is currently Member of the Albanian Parliament and Chair of the Committee for European Integration and of the EU-Albania Stabilization and Association Parliamentary Committee. He is a member of the Socialist Party (SP) parliamentary group and member of the Steering Committee of the Socialist Party. Before joining politics, Mr. Bushati served as Executive Director of the European Movement in Albania (EMA), was one of the founders of the Agenda Institute and has held key positions in the public sector. He has served as the Director of the Approximation of Legislation at the Ministry of European Integration, Member of the Albanian negotiation team during the EU-Albania negotiations for the Stabilization and Association Agreement. He has also been adviser for European Integration of the Deputy Prime Minister of Albania. Mr. Bushati worked on a variety of projects of the EU, Open Society Institute, Freedom House, World Bank, GIZ, Friedrich Ebert Stiftung, International Organization on Migration, USAID, and SNV. Mr. Bushati is a lecturer in EU Law and the EU accession process at several institutions. He has written publications in the areas of European Integration and the EU accession process, Public International Law, International Criminal Law, Constitutional Law, and Human Rights Law. Mr. Bushati holds a law degree awarded with distinction from the University of Tirana and a Master of Laws (LLM) in Public International Law from Leiden University, The Netherlands. In addition to several fellowships, he has also received diplomas from the Kennedy School of Government, Harvard University; Academy of American and International Law, Dallas and Abo Academy University, Finland. Mr. Bushati speaks Albanian, English and Italian. He and his wife Aida have one daughter, Hera.

Chris Deliso

Chris Deliso is an American analyst, author and journalist who has been working continuously from the Balkans for over a decade. He is the director of Balkanalysis.com, an independent provider of analysis and news pertaining to Southeast Europe across a variety of sectors, with contributors from the region. Chris has written widely on topics ranging from security, politics and economy to culture, history and tourism. Since 2004, he has served as the Economist Intelligence Unit's Macedonian politics section author and he has also contributed to specialist publications such as Jane's Intelligence Analyst and Jane's Islamic Affairs Analyst, as well as publishing numerous articles on the region for U.S. newspapers and magazines. In conducting his on-the-ground research, Chris regularly interacts with informed persons ranging from high-ranking diplomatic and security officials to the Balkan 'man on the street.' He has made presentations on regional security issues for U.S. bodies such as the National Intelligence Council, Bureau of Intelligence and Research, Global Futures Forum and Intelligence Advanced Research Projects Activity (IARPA). He has also participated in several regional security-related forums at universities and organized events in Italy, Great Britain, Macedonia, Greece, Bulgaria and Romania over the past few years. He has also taken part in previous Aspen conferences on the Western Balkans. Chris originally became acquainted with the Southeast European region while pursuing an MPhil with Distinction in Byzantine Studies from Oxford University, and has lived in Greece, Turkey and Macedonia. He also speaks Greek and Macedonian.

Leonard Demi

Mr. Leonard Demi is a member of the Albanian Parliament for the Democratic Party and chairs the National Security Committee. He graduated in Albanian Language and Literature in 1986, and in 1992 he received his Doctoral degree from the Academy of Sciences of Albania. In that year he started his studies on foreign and security policy at Hebrew University, Jerusalem. He continued his education on foreign and security policy at the University of Texas at Austin and George Washington University in Washington DC. In June 2003, he received his MA degree in National Security Affairs (Europe) from Naval Postgraduate School, Monterey, California. Mr. Demi has been a researcher at the Academy of Sciences of Albania and he held important positions at the Ministry of Foreign Affairs and Ministry of Defense. He is a lecturer at the University of Tirana and Defense Academy, and has written numerous articles and several books such as *Albania and the American Diplomacy*, 2000; *Western Balkans and the European Enlargement*, 2003; and *For One Day Rising from the West*, 2009.

Peter Eitel

Peter Eitel is Chief Operating Officer (COO) of the German Institute for Democracy, Development and Security (DIDES) an advisory think tank with offices in Berlin, Brussels, Hamburg and Munich. His work focuses on the strategic and operational transformation of the security sector. Mr. Eitel is a Fellow of the Institute of Strategic Future Analyses of the Carl-Friedrich-von Weizsäcker Society. He holds a BA in History and Political Science and an MSc in Global Security from Cranfield University/Defence Academy of the United Kingdom. He lived and worked in Central America and Africa, where he developed his interest in non-traditional security threats.

Filip Ejdus

Filip Ejdus is a lecturer in Security Studies at the Faculty of Political Sciences at the University of Belgrade. He graduated from the London School of Economics (MSc) and Sciences Po Paris (MA) and the Faculty of Political Sciences at the University of Belgrade (PhD). Dr. Ejdus is a member of the Executive Board of the BCSP (Belgrade Center for Security Policy), the Forum for International Relations, co-chair of the Regional Stability Study Group in Southeast Europe at the Partnership for Peace Consortium of Defense Academies and Security Studies Institutes and one of the founders of the Balkan Centre for the Middle East. He is the editor of the Journal of Regional Security (biannual peer-reviewed journal). Dr. Ejdus is author of a number of books and articles in the field of International Relations, Security Studies, and European integration. He also edited a documentary film titled "Should Serbia be Militarily Neutral?". Source: bezbednost.org

Edith Harxhi

Edith Harxhi is currently Deputy Minister of Foreign Affairs of the Republic of Albania. She covers multilateral diplomacy, the Kosovo issue and regional affairs, international treaties, the relations of the Republic of Albania and EU integration, and management of the Albanian diplomatic corps. Before her appointment as Deputy Minister of Foreign Affairs, Ms. Harxhi worked as a diplomat at the Ministry of Foreign Affairs of Albania before assisting the Deputy Special Representative of the Secretary General (Civil Administration) UNMIK in several positions. She covered police and justice, minorities and social welfare. She established the Office for Public Safety and prepared the strategy for the transfer of competencies in the security sector on behalf of the Kosovo Government. On behalf of the Deputy Special Representative of the UN Secretary General she supervised the Office of Gender Affairs at the DSRSG's Office and drafted the Gender Equality Law. Ms. Harxhi received a Masters Degree with Honors in Political Science and International Relations from the University of Edinburgh, United Kingdom. She has been actively involved in the academic debate on the question of Kosovo and the Balkan region for many years. She is currently working on the completion of her PhD thesis entitled: *"The Ethnic Conflicts and the Albanian Disorder in the Balkans"*. Ms. Harxhi is fluent in Albanian, English, Turkish and Italian and has a mid-level understanding of French.

Sotiraq Hroni

Sotiraq Hroni is Executive Director of the Institute for Democracy and Mediation (IDM) in Tirana, Albania. He used to be a diplomat with the Albanian Ministry of Foreign Affairs and, during the crisis of 1997, he served as an adviser to the Albanian Prime Minister. Mr. Hroni was also an adviser to the President of Albania for two years. In 1999, Mr. Hroni founded the IDM, an independent, non-governmental organization working to strengthen the Civil Society sector in Albania. It has since become one of the most important think tanks in the country. Source: project-syndicate.org & IDM

Oliver Ivanović

Mr. Ivanović served as State Secretary in the Ministry for Kosovo and Metohija in the previous government of the Republic of Serbia, from 2008 through the end of July 2012. In addition to his major political functions, Mr. Ivanović was a Member of the Kosovo Parliament, elected in Kosovo elections of November 2001. He was elected Member of the Presidency of the Kosovo Parliament and Member of the Parliamentary Commission for Foreign Cooperation. Mr. Ivanović was a member of the Provisional Commission for Kosovo established by the Serbian Parliament following the elections in October 2000. Since 2001, Mr. Ivanović has been a member of the Coordination Center for Kosovo and Metohija, established by the Government of the Republic of Serbia and the State Union of Serbia and Montenegro. He was a member of the Social Democratic Party (SDP) and its Vice President. Currently Mr. Ivanović is President of the Executive Board of the Serb National Council of Northern Kosovo. Mr. Ivanovic is civil engineer, holds a B.A. in economy and speaks several languages.

Dietrich Jahn

Dietrich Jahn is currently Deputy Director General in the European Policy Department of the Federal Ministry of Finance in Germany. Mr. Jahn is head of the Directorate responsible for financial relations with the EU, European institutions, the EU budget, and general legal and financial issues relating to European policies, in particular the economic and monetary union, agricultural and structural policies, security policy, state aid, financial control and fraud prevention. Mr. Jahn has worked in different positions in the Federal Ministry of Finance; he was responsible for international financial and monetary policy, relations with G20, IMF, International Development Banks and FATF, and he has working experience with emerging and transition countries. Financial market policy in banking, stock exchanges, insurance, investment funds and securities markets were among his former tasks. Mr. Jahn is a lawyer by training and started his first positions in the German Ministry of Finance as Desk Officer for federal credit institutions, privatization and for guarantees in overseas trade.

Ljiljana Janković

Ljiljana Janković is currently Director for NATO at the Ministry of Foreign Affairs and European Integration of Montenegro. Previously she served at the Mission of Montenegro to NATO in Brussels, the Bilateral Department of the Ministry of Foreign Affairs as a Counselor and as legal advisor at the Office of the National Coordinator for Combating Trafficking in Human Beings of Montenegro. Ms. Janković holds a Master of Arts in International Politics from CERIS Brussels. She has taken part in several courses for young diplomats. She is fluent in English, has a good knowledge of French and a basic understanding of Chinese. Ms. Janković also works as a child rights trainer at the NGO «Oasis».

Henry Jardine

Mr. Henry V. Jardine presently serves as Deputy Chief of Mission for the U.S. Embassy in Tirana, Albania. His previous positions have included service as Director for the Regional and Security Policy Office in the Bureau for East Asian and Pacific Affairs; Consul General in Calcutta, India; management officer in Chiang Mai, Thailand; and rotational assignments as a political and consular officer in Bridgetown, Barbados and Dhaka, Bangladesh. Prior to his work with the U.S. Department of State, Mr. Jardine was a Captain in the U.S. Army and served as an executive officer with the 2/327th Infantry Battalion, 101st Airborne Division (Air Assault) and as a platoon leader with the 3/8th Infantry Battalion, 8th Infantry Division (Mechanized). He was a distinguished graduate from the Industrial College of the Armed Forces (ICAF), where he received a Masters of Science degree in National Resource Strategy. For his undergraduate studies, he attended Georgetown University's Edmund A. Walsh School of Foreign Service, where he received a Bachelor of Science in Foreign Service and was a distinguished military science graduate from the Army Reserve Officers' Training Corps (ROTC). His awards include Department of State Superior Honor Awards and several Meritorious Honor Awards; and Department of the Army Commendation Medals as well as Parachutist, Air Assault, and Expert Infantryman Badges. He is accompanied in Tirana by his wife, Kathleen Jardine, and son, Thomas Jardine.

Nikolaus Graf Lambsdorff

Ambassador Nikolaus Graf Lambsdorff is currently Special Envoy for Southeast Europe, Turkey and the EFTA-States at the German Federal Foreign Office. Before assuming his position he served as German Ambassador to the Republic of Moldova. Previously he held *inter alia* the position of Head of Division for Public Diplomacy in Europe, North America, Former Soviet Union; Deputy Special Representative and Head of the EU Pillar of the UN Mission in Kosovo (UNMIK) and Deputy Section Head for European Security and Defence Policy and WEU in the Political Directorate-General. Graf Lambsdorff holds Masters degrees in Political Science and Economics, is married and has one son.

Sonja Licht

Sonja Licht graduated in Sociology and received an MA in Socio-Cultural Anthropology from the Faculty of Philosophy of the University of Belgrade. She has authored numerous articles in local and international magazines, journals and books. She was part of the Yugoslav dissident movement since the late sixties, and since the mid-eighties she was among the founders of numerous local and international civic organizations, including the Helsinki Citizens' Assembly in 1990. From 1991 to 2003 she led the Fund for an Open Society in Yugoslavia (later Serbia). In 2003 she established the Belgrade Fund for Political Excellence, member of the Council of Europe's Network of Schools of Politics devoted to the democratic capacity building of decision and opinion makers in sixteen countries. Since the 1990s, she has been board member of many reputable international institutions. For promoting democracy and civic activism in Serbia and Southeast Europe, she received numerous honors including the Council of Europe Pro Merit, Star of Italian Solidarity and the French Legion of Honor.

Petar Mihatov

Petar Mihatov is currently Head of the Division for Southeast Europe at the Croatian Ministry of Foreign Affairs. He started working for the Croatian Ministry of Foreign Affairs in 1999 as an OSCE and then NATO desk officer. From 2004 to 2008 he was Third and later Second Secretary covering political affairs (bilateral, EU and NATO) in the Croation Embassy in London. In 2008, Mr. Mihatov served as Head of Section for Common Foreign and Security Policy (CFSP) and External Relations of the EU. At the end of 2008 he became the Chief of Staff of the State Secretary for European Integration and in 2009 the Chief of Staff of the State Secretary for Political Affairs. From 2010 to 2012 Mr. Mihatov was an Adviser to the Minister. Mr. Mihatov graduated from the University of Philosophy in Zagreb in Philosophy and Information Science, obtained a Master of Science degree in Political Theory from the London School of Economics and Political Science and a PhD degree in Political Philosophy from the University of Philosophy in Zagreb.

Alexander I. Nikitin

Prof. Dr. Alexander I. Nikitin is currently a Professor at the Political Sciences Department at the Moscow State Institute of International Relations (MGIMO-University) as well as Director of the MGIMO Center for Euro-Atlantic Security and Director of the Center for Political and International Studies. Prof. Nikitin is a distinguished academic. He is the author of four monographs, chief editor and principal author of eleven collective monographs and author of more than one hundred articles and chapters in academic periodicals, journals and books published in Russian, English, French, Korean, Punjabi, Spanish and German. Prof. Nikitin received an international research fellowship at the NATO Defense College and gave guest lecture courses at the University of Iowa (USA), the NATO Defense College (Rome) and the Geneva Center for Security Policy (GCSP). He is a member of several scientific associations including the Russian Academy of Military Sciences and the Russian Political Science Association, whose elected President he was from 2004 to 2008. He is Vice-Chairman of the Russian Pugwash Committee of Scientists for International Security and Disarmament, and an elected member of the International Pugwash Council. Prof. Nikitin is a member of the Scientific-Expert Council of the Collective Security Treaty Organization. Since 2005, he has been an official external expert for the United Nations, nominated by the UN High Commissioner on Human Rights. Prof. Nikitin has organized more than fifty international scientific and academic conferences and workshops, in Russia as well as abroad. He served as coordinator of several multi-national research projects. Prof. Nikitin holds a PhD in History of International Relations and a Doctor of Sciences in International Relations.

Murat Önsoy

Murat Önsoy, born 1982 in Ankara, completed high school in Ankara. In 1999, he started higher education in Political Science and Public Administration at Bilkent University. He received a Master's Degree in International Relations (2005) and completed his PhD with a Turkish Government fellowship in Political Sciences (2009) at the Institute for Contemporary Middle East Studies, University of Erlangen-Nürnberg. During his PhD studies, he spent one year as a visiting scholar at Georgetown University, USA. Since 2009, he has been working as a lecturer at the Hacettepe University Department of International Relations and giving lectures on topics of Turkish political history and Balkan history and politics. Murat Önsoy has written articles in Turkish and English and has published a book titled '*World War Two Allied Economic Warfare and the Case of Turkish Chrome Sales*' and has made presentations at several international symposiums.

Edmond Panariti

Edmond Panariti is one of the few Albanian politicians with a rich scientific background and experience in international organizations. After graduating in Veterinary Medicine in 1989, he earned a PhD in the same field. Furthermore, he conducted postgraduate academic research in Environmental Toxicology at the Federal Polytechnic School and University of Zurich, Switzerland. In 1995, he became a lecturer and researcher at the University of Kentucky, USA, supported by the Fulbright program. In 2000, he became a lecturer and researcher at the University of Mississippi in the U.S., also supported by Fulbright. From 2004-2005, he was a lecturer and researcher at the Veterinary University of Hanover in the field of Analytical Toxicology, supported by the German Academic Exchange Service (DAAD). Mr. Panariti also has considerable experience in international organizations. Specifically, in 2009-2011 he worked as a Project Coordinator at the World Health Organization. He became involved in politics in 2004 as part of the Socialist Movement for Integration (SMI). During the period 2004-2008, he held the office of Secretary for Agriculture and Environment of this party. From 2008 and onwards, he was the Chairman of the SMI National Steering Committee. In 2011, Mr. Panariti was elected Member of the Municipal Council of Tirana and from September 2011 until July 2012, he was Vice Chairman of this Municipality. Since July 2012, Mr. Panariti has been Minister of Foreign Affairs of the Republic of Albania.

Philip T. Reeker

Ambassador Philip T. Reeker assumed his current position as Deputy Assistant Secretary for European and Eurasian Affairs on August 8, 2011. He supervises the office of South-Central European Affairs and is responsible for U.S. relations with Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, and Serbia. Ambassador Reeker served as U.S. Ambassador to Macedonia from September 2008 until August 2011. From June 2007 until June 2008, he served at the U.S. Embassy in Iraq as the Counselor to the Ambassador for Public Affairs. He was the Deputy Chief of Mission in Budapest, Hungary from 2004 to 2007. Ambassador Reeker was Deputy Spokesman and Deputy Assistant Secretary in the Bureau of Public Affairs from 2000-2003. He was recipient of the Edward R. Murrow Award for Excellence in Public Diplomacy in 2003, and traveled domestically and internationally as the "Spokesman at Large" for the State Department, giving talks and interviews on U.S. Foreign Policy and diplomacy from 2003 to 2004. A Career Foreign Service Officer, Ambassador Reeker previously served as Director of Press Relations at the State Department from 1999 to 2000; Assistant Information Officer in Budapest, Hungary from 1993 to 1996; and as the Public Affairs Officer in Skopje, Macedonia from 1997 to 1999. Born in Pennsylvania, Ambassador Reeker grew up in several parts of the United States, and in Australia. He received a BA from Yale in 1986, and an MBA from the Thunderbird School of International Management in 1991.

Dušan Reljić

Dr. Dušan Reljić is currently a senior research associate at the German Institute for International and Security Affairs (SWP) in Berlin, in the research division "EU External Relations". Dušan Reljić worked between 1996 and 2003 as senior researcher and subsequently head of the Media and Democracy Program at the Dusseldorf-based European Institute for the Media (EIM). Previously, he was i.a. senior editor at Radio Free Europe in Munich, the foreign editor of the Belgrade weekly *Vreme*, and co-founder of the Beta Press Agency in Belgrade during the critical years of 1991-93. Dušan Reljić works on international relations and security with a focus on the EU and Southeast Europe; democratization, nationalism and ethnic strife, issues of transition in former socialist countries and the media performance in situations of tensions and conflict. For Mr. Reljić's recent analytical reports on political and security issues, please visit http://www.swp-berlin.org/en/scientist-detail/profile/dusan_reljic.html. (Image source: SWP)

Konstantin Samofalov

Konstantin Samofalov is an elected member of the Serbian Parliament. Mr. Samofalov joined the Democratic Party (DS) in 2000 and was the president of the DS youth Belgrade from 2000 to 2007. From 2004 to 2008 he was member of the city assembly of Belgrade. He was elected to the Serbian parliament in 2007, 2008, and 2012. In the parliament he is a member of the Defense and Internal Affairs Committee and deputy member of the Foreign Affairs Committee. He is also a member of the Serbian delegation to the NATO Parliamentary Assembly (PA) (Head of Serbian delegation at 2010 Riga and 2012 Tallin NATO PA sessions), and of the Serbian delegation to the EU CSDP Parliamentary Conference. Mr. Samofalov graduated from the Faculty of Law of the University of Belgrade in 2007 in international law. He completed the senior executive seminar "Countering Narcotics Trafficking" at the George C. Marshall Center for European Security Studies in Garmisch-Partenkirchen, Germany. He also took part in the past two sessions of the Halifax International Security Forum in Halifax, Canada. After serving in the Serbian armed forces as a member of the first generation of volunteers following the decision on professionalization, he graduated in the first cohort of students in Advanced Defense and Security Studies at the Military Academy (University of Defense) in July 2012. He is a board member of the Parliamentary Forum on small arms and light weapons, and also a member of European leadership network, a London-based think-tank. Mr. Samofalov is fluent in English and uses French.

Atilla Sandikli

Born in Izmir, Turkey, in 1957, Associate Professor Atilla Sandikli enrolled in the Turkish Military Academy in 1976 and he continued his education at the Military Academy, Army War College, and Armed Forces College, respectively. Sandikli participated in PhD courses of the International Relations department of the Faculty of Economics at Istanbul University and of the European Union Institute of Ataturk's Principles and Reforms at Istanbul University. He served as a staff officer and commanding officer at various echelons of the Turkish Armed Forces and as a counselor within the Secretariat General of the National Security Council of Turkey. Mr. Sandikli chaired and lectured in the international relations department of the Command War College and took office in the establishment of the War Colleges' Strategic Researches Institute, which he directed subsequently. After he retired at the rank of senior staff colonel from the Turkish Armed Forces, he founded the Wise Men Center for Strategic Studies (BILGESAM) gathering the sagacious persons of Turkey in one platform. He is currently the president of BILGESAM. He has published fifteen books and various articles and won many achievement prizes and medals in his military and civilian life. Atilla Sandikli has knowledge of English and French, is married and has two children.

Petrit Selimi

Petrit Selimi was appointed Deputy Minister of Foreign Affairs of the Republic of Kosovo in June 2011. Before joining the MFA, Selimi was a candidate for an MP seat for the PDK during the 2010 National Elections. Prior to this, from 2006 to 2010, he worked as a private public relations and political risk consultant, providing advice for companies and institutions such as IPKO, Telenor ASA, the Norwegian Ministry of Foreign Affairs, RWE AG, Raiffeisen Investment, Lazard, etc. From 2005-2006 Selimi was one of the founders and the first Executive Director of the *Express*, an independent daily published in Prishtina. He joined *Express* after working as communications and media advisor initially for IPKO.org (2000-2003) and then for the OSCE Mission in Kosovo (2003-2004). Selimi was active as a children's and youth rights activist, being one of the founders of the Postpessimists, the first network of youth NGO's in the former Yugoslavia (1992-1998). They won a UN Peace and Tolerance Award. He has in recent years served on the Board of Directors of the Soros Foundation in Kosovo, and Martti Ahtisaari's Balkan Children and Youth Foundation. He is fluent in Albanian, English, Norwegian and Serbian. Selimi holds a BA in Social Anthropology from the University of Oslo, and is graduating as MSc in Media and Communications from the London School of Economics, as a recipient of a Chevening Scholarship. (Source: Ministry of Foreign Affairs of Kosovo)

Ettore Francesco Sequi

Ambassador Ettore Francesco Sequi has served as Ambassador of the European Union to Albania since January 2011. His diplomatic career in the Italian Foreign Service spans two decades and includes service as Counsellor in the Cabinet of the Minister of Foreign Affairs in Rome and postings in Teheran, Tirana, Kabul and New York, including as Assistant to the President of the UN Security Council. Sequi served as Italy's ambassador to Kabul from 2004 to 2008, following which he was appointed Special Representative of the European Union for Afghanistan and Pakistan. Sequi holds a degree in political science, with a specialization in Islamology, from the University of Cagliari, Italy.

Biljana Stefanovska-Sekovska

Biljana Stefanovska-Sekovska, M.A. is a career diplomat at the Macedonian Ministry of Foreign Affairs, presently in charge of NATO affairs and political and security cooperation on the global and regional level, as Head of Bureau. In her previous assignments she headed several departments in the Ministry, dealing with regional initiatives and cooperation with the South-East European Cooperation Process (SEECP), the Central European Initiative (CEI), Southeast European Cooperative Initiative (SECI), the Stability Pact, as well as with human rights and multilateral cooperation of Macedonia with the United Nations, the European Union, the Organization for Security and Co-operation in Europe (OSCE), and the Council of Europe. She served in the diplomatic missions of her country in Geneva – to the United Nation's Office, in the Hague – at the Macedonian Embassy and to International Organizations in the Netherlands, as well as in the Macedonian Mission to NATO in Brussels. During her professional career, Mrs. Stefanovska-Sekovska performed many duties as a member and Macedonian expert in various national, regional and international bodies, primarily within the United Nations, NATO, the Council of Europe, the European Court of Human Rights and others. She also chaired the Working Group on Border Security of the NATO Political-Military Steering Committee's (PMSC) Partnership Action Plan against Terrorism (PAP-T) and was nominated as a candidate of Macedonia for the Director of the SECI Center (now SELEC) for Combating Transborder Crime. Mrs. Stefanovska-Sekovska holds a Master of Arts degree in European Law and Policy from the University of Portsmouth, United Kingdom, and the Hague University, Netherlands. The focus of her dissertation research was on human security, anti-terrorism and human rights in Europe. She is an alumna of the George C. Marshall European Center for Security Studies in Garmisch-Partenkirchen and of the Diplomatic Academy of the Federal Republic of Germany in Berlin. Mrs. Stefanovska-Sekovska speaks English, French and German.

Sergej Sumlenny

Sergej Sumlenny is Germany correspondent for the leading Russian economic magazine "*Expert*". He worked as producer at the Moscow bureau of the German TV and radio station ARD, and as editor-in-chief at the daily news show "World Business" at Russian economic broadcaster RBC-TV. In 2006, as Germany correspondent of "Expert", Sumlenny has won a German Peter-Boenisch-Prize. Sumlenny is the author of the book "*Nemetskaya sistema*" (The German system) − a study about the inner structure of the German society. In 2010, the book became a bestseller among Russian non-fiction books. Born in 1980, Sergej Sumlenny studied at Moscow Lomonosov University and holds a PhD degree in political sciences from the Russian Academy of Sciences. He lives in Berlin with his wife and two children.

Dane Taleski

Dane is the Executive Director of the Institute for Social Democracy "Progress", a left oriented think-tank, in Macedonia. He is also a member of the executive board of the Social Democratic Union of Macedonia. He is a doctoral candidate at the Political Science Department of the Central European University (CEU) in Budapest. In general, his interests include post-conflict democratization, regional cooperation in the Western Balkans and EU integration. He was active in public and political life in Macedonia as a political analyst and political consultant, but also as a leader of civic initiatives that supported the development of democracy and good governance in Macedonia. Dane holds a Master of European Studies (MES) from the University in Bonn. He worked for international organizations and think-tanks (Stiftung Wissenschaft und Politik, International Crisis Group), and think tanks in Macedonia as well.

Erik Tintrup

Erik Tintrup is currently Deputy Head of Mission at the German Embassy in Tirana. He entered the diplomatic service in 1991 as a career diplomat. His postings have included the German embassies in Kiev, Manila and Port-of-Spain in Trinidad & Tobago. He served as a desk officer for Relations to Central Asia, Eastern Europe, and Humanitarian Aid in the Federal Foreign Office and as Adviser to two State Ministers. Mr. Tintrup served in Germany's Mission to the OSCE in Vienna, and in 2007 he was appointed Director of the Human Rights Department at the OSCE Mission in Kosovo, Pristina. From 2008 to 2011 he was Deputy Head of the Crisis Response Center at the Federal Foreign Office. Mr. Tintrup is specialized in regional Eastern and Southeast European issues. Before joining the Foreign Office he worked as a journalist. He holds Master Degrees in Communication, Political Science and Economics. Mr. Tintrup is married and has a daughter.

Ana Trišić-Babić

Ana Trišić-Babić is currently Deputy Minister of Foreign Affairs of Bosnia and Herzegovina. Prior to being appointed to her current position, Ms. Trišić-Babić served *inter alia* as Assistant Minister for Bilateral Affairs at the Ministry of Foreign Affairs of Bosnia and Herzegovina, as Chairperson of the NATO coordination team of the Council of Ministers of Bosnia and Herzegovina, and as Head of Working Group I of the Stabilization and Association Agreement. Ms. Trišić-Babić holds a degree in international public law from the Faculty of Law of Schiller International University in London and took part in the Senior Executives in National and International Security Program at Harvard University. Ms. Trišić-Babić is fluent in English and German, and has a good understanding of Russian and French.

Zoran Vujić

Zoran Vujić (1968, Chile) graduated from the Faculty of Agriculture, University of Belgrade, in 1998. In 2005 he graduated from the Universidad San Pablo CEU, Madrid, Spain, with a Master of Arts in International Relations. He attended a high level education program at Harvard University on International and National Security in 2008 and a Senior Executive Seminar at the "George C. Marshal" European Center for Security Studies in 2011. He worked for Television Espanola in Madrid, BK Telekom in Belgrade and as a coordinator in the International Business Group in Belgrade before returning to Spain and joining Grupo Da Nicola as an Assistant Director for the ARCPC implementation. In 2001, he joined the Ministry of Foreign Affairs of Yugoslavia/Serbia and Montenegro, with a post in the Embassy of Yugoslavia/Serbia and Montenegro to the Kingdom of Spain. Upon his return from Spain, Mr. Vujić worked in the General Directorate for the EU of the Ministry of Foreign Affairs until joining the Office of the President of the Republic of Serbia as a Foreign Policy Analyst. In May 2007, Mr. Vujić was named the Chief of Staff of the Minister of Foreign Affairs of the Republic of Serbia, and thereafter in September 2007 Assistant Minister and Director of the Directorate General for NATO and Defense Affairs later renamed in 2010 to Assistant Minister for Security Policy. Mr. Vujić is married, father of two children, and speaks Spanish and English. (Image source: MFA Chile)

Peter Weinberger

Peter Weinberger is a Senior Program Officer in the Academy for International Conflict Management and Peacebuilding, the United States Institute of Peace's (USIP) school for practitioners. His primary focus at the Academy is on how to best deal with ethnic, religious, and tribal groups when rebuilding countries after war and conflict. He additionally works to identify best practices for peace processes—how to promote trust and ensure that agreements are fully implemented. Mr. Weinberger's research bridges the local and international elements of post-conflict reconstruction. He is a specialist on divided societies and has worked with various NGOs in the Balkans, the Middle East, and Northern Ireland. He also has expertise on defense outsourcing and has written on international private security companies. Prior to joining USIP, Mr. Weinberger was an Assistant Professor at the School of International Service at American University (2004-2008) and a Research Professor at the Institute for Conflict Analysis and Resolution at George Mason University, (2003-2004). He received his PhD in international relations from the London School of Economics.

A. Nuri Yurdusev

Professor Yurdusev was educated in Turkey and England. Presently, he is Professor of International Relations at Middle East Technical University, Ankara, Turkey. He has held visiting appointments at the University of Leicester, St Antony's College (University of Oxford) and Kansai University (Japan). He is the author of *International Relations and the Philosophy of History: A Civilizational Approach* (Palgrave Macmillan, 2003) and the editor of *Ottoman Diplomacy: Conventional or Unconventional?* (Palgrave Macmillan, 2004). His articles have been published in various journals, including *Millennium: Journal of International Studies*, and *Critique: Critical Middle Eastern Studies.* His current research interests include the theory and history of international relations, and the European identity and the Ottoman diplomacy.

THE FUTURE ROLES OF NATO AND THE EU IN SOUTHEAST EUROPE: EU ENLARGEMENT AND TRANSATLANTIC CHALLENGES

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The Aspen Institute Germany partnered with the Albanian Ministry of Foreign Affairs to convene political leaders, scholars and consultants in Durrës, Albania. The conference focused on the themes of economic and political development, EU and NATO membership, as well as complex issues such as the status of northern Kosovo.

Opening of the Conference

The presenter shared that Albania is willing to work toward EU and Euro-Atlantic integration and wants the same for all the countries of Southeast Europe. NATO has shown itself to be the key to the security of the region and EU support has helped consolidate democracy and cooperation amongst neighboring states.

Session I: The Future Role of NATO in Southeast Europe

An individual noted that it was an honor to have colleagues from Russia and Turkey at the conference, since the roles of these particular countries will be brought up in the discussions.

Quoting President Bill Clinton's speech at the recently held 2012 Democratic National Convention, the first speaker noted that "what works in the real world is cooperation." In the same context, integrated defense under NATO provides regional stability in Southeast Europe. Individual countries in the region should move away from the sole-capacity military structures that were common in the past. Shared participation in and pooling of resources across NATO as well as EU military missions constitutes "Smart Defense." Small countries can contribute in niche capabilities to overall operations. Joint training, as well as combined research and development missions, will help countries collectively to save money on defense expenditures.

The next speaker shared a view that a further expansion of NATO to the East will undoubtedly complicate relations between the alliance and Russia. Dealings between Russia and NATO will remain amiable so long as the West does not cross certain "red lines." NATO membership has disciplined the Western Balkan countries considerably, which is considered a positive outcome. But extending the alliance to Ukraine and/or Georgia could be very counterproductive, creating a *casus belli* situation for Russia that could require preventive strikes on potential NATO bases in these countries. It would be best for NATO to instead transform itself from a military to a political body. Such transition would positively influence Russia-NATO relations and could engender a vital partnership that would be very effective in tackling global problems.

The moderator reiterated that the primary regional focus of the conference was on Southeast Europe. While Russia's concerns about NATO are understood, its "red lines" are nonetheless farther east geographically.

Another participant spoke of being part of a minority of Russian experts who hold NATO's role in Southeast Europe in high regard. The person does not view NATO's role in the Western Balkans primarily in terms of collective defense, but rather as bringing the countries in the region into the "European paradigm." NATO accession helps in the overall process of conflict resolution. Nonetheless, Russia will likely continue to gravitate towards regional arrangements such as the Collective Security Treaty Organization (CSTO) rather than partnering with NATO in future peacekeeping efforts. NATO and Western institutions' conflict resolution efforts in the Eurasian sphere will be more effective and likely to succeed if cooperation and coordination with Russia and the CSTO are intensified.

The moderator commented that it is important to remember Russia's position with regard to Kosovo in 1999.

A conference participant offered a personal reflection about driving to the conference through neighboring states as a metaphor for regional change. Still, few leaders in Bosnia-Herzegovina desire to join NATO and the EU. The country's citizens have to want to push politicians toward this goal.

A speaker remarked that he does not have a crystal ball and cannot predict the future. Nonetheless, Serbia recognizes NATO's role in maintaining regional security. The two are close in goals and operations, even interoperability, but at present Serbian leaders do not want membership in the alliance. Serbia will join the EU when both sides are ready.

A different participant conveyed that Serbia supported Albania and Croatia joining NATO, and also endorses membership for Montenegro and Bosnia-Herzegovina. But Serbia's current Defense Minister does not wish for the country to join NATO, only to cooperate. It would be possible to collaborate with the CSTO, but geography is important and "we are where we are." Serbia can contribute to the "Smart Defense" of the region by contributing its bases for the joint training of peacekeeping operations.

The next speaker stated that the peaceful transition of power in Serbia augurs well for the country's European and Euro-Atlantic future. NATO's door remains open to future aspirants. The person added that NATO's missile-defense program is not aimed at Russia or anywhere else in Southeast Europe, but is meant to counter an emerging threat from Iran. The CSTO could play a role in supporting critical reforms in the countries of Southeast Europe, in areas like rule of law.

The last speaker categorically rejected any attempt to link the Kosovo intervention to Abkhazia or South Ossetia and noted that Russia's involvement in other conflicts in the "near abroad" was not constructive. With regard to joining the EU, the individual remarked that aspirants needed to implement what has already been agreed. Countries in Southeast Europe have to "own the issues" in order to attain the safety and security provided by the EU integration process.

Session II: Options for a Regional Security Framework

Commenting on the prior session, the speaker noted that there was a comprehensive discussion of NATO without mentioning ethnic tensions in the region. This approach reflects the narrative of the liberal peacebuilding paradigm. While free trade, democratic institutions, and European integration have a positive impact on Southeast Europe's path to stability, simply operationalizing the approach will not suffice to bring about sustainable regional security and functioning multiethnic democracies. That is because issues that lay at the heart of the divergences in the Western Balkans such as identity, culture, religion and ethno-nationalism are not addressed by the liberal peacebuilding. Shared sovereignty, democratization, and free trade will not manage to gradually fade ethnic tensions and statehood issues into irrelevance. The international community might instead shift its focus to supporting civic education and an inclusive cultural environment; building socio-political cohesion and horizontal shared sovereignty; and most of all in thinking outside the "Westphalian box" for sustainable solutions.

The next speaker observed that growing transnational cooperation in the Western Balkans has a problem with the "trickle-down" effect at the national level. The lack of a common regional identity is mainly due to a perception among peoples that neighboring states harbor hostile intentions. Pervasive and enduring nationalistic sentiments are the main impediments to regional security cooperation. Greater coordination on common "soft" as well as "hard" security issues would not only strengthen the democratization of societies in the region but also bring the countries closer to achieving their long aspired for EU and NATO membership. While some politicians may continue to stoke the embers of nationalism from time to time, an intensification of regional security cooperation will cause such sentiments to gradually lose their credibility.

One person contextualized the discussion with recent events in the region: 1) the recent terrorist attack on Israeli nationals in Burgas, Bulgaria; and 2) the wildfires raging across Albania since mid-August. Iran's growing presence in the region should be seriously considered by national authorities in the region and it may be prudent to draw on the Israel's expertise if there is a shared security interest. With regard to the wild-

fires, it is embarrassing that there was no pro-active system in place to address this emergency.

An individual stated that the Kosovo Security Forces, which are multi-ethnic in character, have been supported by NATO. It has been a challenge for Kosovo that some NATO members do not recognize the country internationally. Due to climate change, the region will face more wildfires and so there is a pressing need for neighbors to work together to address these and related challenges.

A different person contributed that Euro-Atlantic structures and perspectives have helped spur reforms in all areas of life throughout Southeast Europe. Such initiatives have value beyond EU and NATO integration. It is noteworthy that the sense of regional ownership of these issues has increased.

One participant shared a view that there is no need for an additional regional security framework. While the Adriatic charter has been quite helpful, it may be worthwhile to terminate some existing endeavors, which are less productive. But whatever is done, all countries in the region should come to terms with new realities, like the existence of the Republic of Kosovo.

The moderator posed the following questions: 1) What should regional security efforts protect against—and for whom? 2) Does regional security work for ethnic issues? and 3) Do grass-roots efforts, such as dialogue and educational exchange programs, have a role to play in regional security?

A person stated that the EU recognized the limits of a liberal peace approach and then asked for possible recommendations to fill in the gaps.

An individual said that there is not an existing system in the region that affirms that current borders are stable and permanently established. This situation impedes any approach that seeks to manage conflict by transforming issues into technical or functional matters. Indeed, EU enlargement itself is tantamount to the flawed liberal peacebuilding approach.

One participant explained that dialogue and educational exchange programs do exist in Southeast Europe and have some efficacy. The person also put forth that the Westphalian model of sovereignty may be more desirable than new horizontal alternatives, as some states that emerged from the former Yugoslavia are now the most stable in the region.

A previous speaker qualified that, "my approach is analytical and not normative." Some supranational approaches are a solution and perhaps can be adapted for minorities in Southeast Europe. Identity and culture should be taken more seriously and not dismissed as archaic thinking that will go away. Perhaps other ways

can be imagined, for example in education or in the writing of history. Traditional Westphalian reasoning is too often part of the problem. Instead of partition, one way out for northern Kosovo might be some sort of bi-national, joint control. In this alternative, both Serbia and Kosovo would join the EU without ever drawing a border.

Another previous speaker agreed that a strict Westphalian approach to sovereignty may not be ideal for the Western Balkans. The model always causes certain problems to mushroom and is not the best way to accommodate identities. The person reflected that this factor is why Macedonia needs a consensual democracy.

One person conveyed that some sentiment is taken too seriously. Perspectives vary from near and far. For example, a statue of Alexander the Great can be viewed as a nationalist expression, but also as a public space for parents to gather with their children.

The last speaker stated that the Westphalian model is "as good as it gets." A sensible way to manage inter-ethnic tensions in Kosovo is through encouraging reforms needed to join the EU.

Session III: EU Enlargement – What Next?

The moderator expressed hope that the discussion would have a cumulative effect for the future. The person also asked if the European Commission should be doing more to encourage cooperation, and if there was enough political will in the region to reach this goal.

The first speaker said that despite the financial crisis, EU enlargement in the region is not dead and is in fact continuing. Most countries of the Western Balkans are on the verge of recession, but Croatia is slated to become the next EU member in 2013. While the EU is the only game in town, the mood among the population of the region is turning sour. The prevailing sentiment is one of Eurorealism, not Europhilia. The EU also has less of an appetite to bring new members in, or share its limited resources with them. There is no way to know for sure how enlargement will proceed and the crisis has even further complicated the accession process.

The next speaker noted that poverty is growing in Southeast Europe, even in countries already in the EU. The idea of EU enlargement as a means for the stabilization of the Western Balkans is losing momentum. A flagging accession process is causing a decline in the influence of the EU in the region in general, and by implication a decline in support for pro-European political alternatives. The EU should tailor a strategy that furthers the accession process through sectoral integration as an alternative to full integration for the time being. The opening of EU labor markets to the countries of Southeast Europe should also be encouraged.

A different participant commented that it is not a question whether candidate countries are anxious to join, but if existing members are apprehensive about letting them in. At least 85% of Albanian citizens both desire to join the EU and wish to see the recommendations of the EU applied in the country. This affinity for the EU could be in jeopardy if tougher conditions for accession are set in place.

Another speaker added that the EU integration process has engendered changes in Albania that were not predictable ten years ago. The government and opposition are in agreement over the issue of accession. The desire to achieve this goal has brought about significant reforms and internal dialogue.

One person mentioned that democratic indicators are weakening in all Western Balkan countries. The high poll numbers showing the desire of Albanians to join the EU likely reveals their frustration with national institutions and is a fantasy about change. The issue of EU enlargement is more the business of bureaucrats in Brussels and is without genuine local roots.

An individual reflected that Germany has experienced many similar upheavals as the countries of Southeast Europe, and the country succeeded in the end with the help of friends. The EU has to set fair conditions, be precise, and define the next steps—which should not be too different between countries. It would make sense to have more cultural experts on the region give input to the accession process.

One participant shared that, for Croatia, EU negotiations were extremely difficult but the transformative effect was beneficial, maybe even more valuable than membership itself. Croatia recommends that the EU tackle judicial reform and anticorruption measures first because such changes are the hardest to implement. Offering immediate, concrete and palpable incentives may help deal with some politicians in the region who view EU membership as being too vague and distant a possibility.

A previous speaker remarked that Albania does not have a national objective with regard to the EU. The country simply has an application with no deadline. The person does not see a genuine political commitment coming from the EU side either.

Another person maintained that both the EU and civil society in the region desire accession for the countries of Southeast Europe. The individual additionally said, "never waste a good crisis" and expressed confidence that the serious challenges facing the EU can be overcome.

A different individual put forth that, through trade, the countries of Southeast Europe are in fact transferring money out of the region to the core countries of the EU.

The final speaker acknowledged that the examples of Greece, Spain, and Hungary suggest that the EU story does not seem valid anymore. Still, the EU could do more to spur growth in Southeast Europe. After solving the financial crisis, commercial banks should be dissuaded from withdrawing revenue from the region.

Session IV: The Role of the EU in Advancing Regional Security in Southeast Europe

A speaker observed that the threats and challenges faced by the EU are greater than ever. The financial crisis is forcing the EU to get better at doing more with less. By forging partnerships with other international actors interested in the stability of Southeast Europe, the EU will stand a better chance of successfully implementing its security policies in the region. Turkey, a rising power with considerable historic ties to Southeast Europe, can help boost the EU's efforts in the region. The two sides should develop a joint institutional framework for collaboration.

A different speaker mentioned that the Russian public believes the U.S. and NATO to be a threat, but less so the EU. While the Russian authorities are generally opposed to NATO expansion initiatives, they are not opposed to EU enlargement in Southeast Europe, considering it an economic and political process rather than a military one. Nevertheless, Russian leaders, who have a special interest in Serbia, remain skeptical towards international institutions like the EU and would not be displeased by any additional challenges the EU may face in Southeast Europe.

One person shared a perspective as someone based in Bosnia-Herzegovina. The "soft power" tools of the EU are insufficient to move that country forward. The individual maintained that the EU's mission today is not grounded in reality, because it seeks to prove itself to itself—rather than to the countries in Southeast Europe.

A participant shared that, from the EU perspective, Turkey is welcome to play a role in Southeast Europe, but that Russia cannot dictate "red lines" with regard to sovereign countries in this region or anywhere else. The EU's primary contribution to security should be in promoting accession and defining the conditions for reform. The responsibility lies with leaders in the region to take charge to make this process work.

An individual criticized the EU's past role in Kosovo. The EULEX mission in Kosovo was not neutral and did not function properly. The lack of transparency has led to conspiracy theories amongst parties involved in this issue. The EU should look for inventive solutions for northern Kosovo, which may entice Serbia to cooperate.

A different person mentioned that, with regard to NATO expansion, Russia is primarily concerned with an eastward enlargement of the alliance. Russia would

likely destroy any new NATO bases that were installed within bordering states.

Another participant agreed that the responsibility is on national governments to make EU accession successful. The process will nonetheless take longer for Albania and some countries in the region.

A previous speaker said that a solution for northern Kosovo must be satisfactory to both the Serbian population there as well as Serbia. The person suggested that Pristina should "legalize the current situation," which would help bring law and order back to the area.

A person inquired if there were any alternatives to an EU role in the region, for example involving Turkey or Russia.

A participant responded that the EU has proved incapable of supporting Greece, which is a negative example for Southeast Europe. There are no immediate plans for an economic union of Turkey with the countries of the region, but Turkey's recent experiences may help some countries begin to conceptualize economic or political alternatives.

Another person added that Russia would face many challenges to bring about an economic union in the region.

One participant commented that Russia has played a very constructive role in Bosnia and Herzegovina.

An individual relayed that Serbia has had a different historical experience with regard to Russia than other central European countries. Serbia actually has greater trade with Romania and Bulgaria than Russia. The country also does not particularly benefit from the rhetoric of support that has traditionally been received from Russia.

A different participant noted that if all the countries of Southeast Europe join the EU, it is a potential game change for Russia. What then constitutes "the West," and what might that mean for countries like Moldova and Ukraine?

Someone else stated that Turkey is an important symbol of the ability to prosper outside of the EU. Russia does not have the same type of appeal in the region.

The final speaker shared that tolerance and good governance are values in and of themselves and should not only be framed in the context of EU accession.

THE FUTURE ROLE OF NATO IN SOUTHEAST EUROPE

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Southeast Europe is considered a very volatile, even politically volcanic area. In recent history it was the birthplace of many wars, including World War I. After World War II the region combined practically all systems of military security. First of all, the two superpowers, the USA and the USSR, had their allies in their major military organizations: Greece and Turkey in NATO, Romania and Bulgaria in the Warsaw Pact. Albania was also in the Warsaw Pact, formally until 1968, but had not participated in its activities since the beginning of the 1960s. Yugoslavia represented a non-aligned country, with its own special system of military security. After leaving the Warsaw Pact, Albania became a radically individualistic country, enjoying, to be precise, considerable assistance from China.

After the dissolution of the USSR in 1991, the entire strategic situation in the world, including in Southeast Europe, changed dramatically. The Warsaw Pact died shortly before the demise of the Soviet Union. Events started to develop rapidly. First, two members of the former Eastern military block joined NATO: Romania and Bulgaria became members in 2004 together with Slovenia, the first of the former Yugoslav republics to join NATO. This changing military balance was enhanced further by the inclusion of Croatia and Albania into NATO in 2009.

On the other side, former Yugoslavia went through a bloody divorce. A civil war broke out in the country. In this context, another extremely dramatic event took place in Southeast Europe. It is what the West calls the Kosovo war, but I call it the Yugoslavia war. For seventy-eight days, NATO bombed Serbia in order to force it to accept certain solutions in Serbian internal affairs. Resolution 1244 of the United Nations Security Council adopted on the 10th of June 1999 approved these NATO actions *post factum*.

As we speak, three more former Yugoslavian republics are in the process of joining NATO. Macedonia has a Membership Action Plan (MAP) and only the name dispute initiated by Greece stopped the Macedonians on the threshold. Montenegro and Bosnia and Herzegovina are also on the way and their membership does not seem to be far away.

Kosovo is a special case. Here a very complicated diplomatic game is taking place in order to correlate Western policy towards Kosovo and Serbia. The situation is very intricate – one could compare it with the situation around Abkhazia and South Ossetia. Serbia, the principal republic of the former Yugoslavia, has its own complicated history of relations with NATO and at the moment it participates in the Partnership for Peace program. It is also important, that Moldova has an individual Partnership Action Plan, although this country has

dramatic internal problems. These problems may not be as serious as they have been in Yugoslavia, but they also led to the shedding of a lot of blood.

This short survey of past events and situations might help us give a correct assessment of the present and future role of NATO in the region.

At present, the situation in Southeast Europe is rather quiet and under control; some hotspots do exist, but those in the Balkans are not so dangerous. A different situation seems to exist in Moldova.

Moldova proclaimed its independence in 1989 and since then the internal conflict there developed into an armed and bloody one. Only the interference of Russian troops stationed in Transnistria stopped the fighting in 1992. Transnistria declared itself an independent state, but no international recognition followed. At present, it is recognized only by three new countries: Abkhazia, South Ossetia and Nagorno Karabah, which themselves are only partly recognized.

Peace in the region is being kept by armed forces consisting of troops from the Russian Federation, Moldova and Transnistria, with Ukrainian military observers present. Troops from the Russian Federation are the main constituent part.

Extensive talks took place between the representatives of the involved sides with the active participation of diplomats from the Ukraine and the Organization for Security and Co-operation in Europe (OSCE). A special comprehensive plan was worked out, but Moldova vetoed it with the explanation that it might lead to the independence of Transnistria. Soon, the Ukrainian side prepared a new plan; it foresaw a broad autonomy of Tiraspol (the capital of Transnistria), including the possibility for Tiraspol to have foreign contacts bypassing the central government. The plan did not mention the removal of Russian troops stationed in Transnistria. The plan specified active participation of the Russian Federation, the Ukraine, the OSCE and also the EU and the U.S. in the peaceful settlement of the problem. Moldova did not approve this plan, and insists that Tiraspol remains in Moldova with "normal" autonomy and that the Russian troops should leave Transnistria without much delay. It is very positive, in my opinion that NATO was and is not involved in all these above-mentioned complicated developments.

Of course, Romania is a member of NATO, which is why any attempts on the Romanian side to incorporate Moldova with the help of their supporters into a so-called "Greater Romania" could create certain problems not only for Romania, but, from the reputational point of view, also for NATO.

So as for the present we can state that NATO does not have considerable problems in Southeast Europe. In the

final analysis, there is no reason to use Article 4 or Article 5 of the North Atlantic Treaty.

The outlook for the future role of NATO in this region does not look pessimistic, although some problems are now recognizable. First of all, there is the problem of the U.S. and NATO missile defense system bases in Romania as well as in some other countries of Europe. As is well known, the Russian side does not accept NATO's explanations that their missile defense system is not directed against the Russian strategic forces; this conflict of interests might lead to considerable tensions also in this region.

I am glad that our conference has EU enlargement and not NATO enlargement in its title. Many people in Russia are quite suspicious about NATO enlargement, especially about its expansion to the East and its coming closer and closer to our borders. The more the West does not consider this as a goal, the better will the atmosphere be for relations between Russia and NATO.

As I already pointed out, the most volatile area of the region, the Balkans, is almost entirely involved with NATO. In my opinion, being in this organization disciplines its members considerably. This is a common rule, although there are exceptions to this rule. I refer to the situation Turkey-Cyprus-Greece after 1974.

There are two problems, which do not exactly belong to Southeast Europe geographically, but are closely connected with NATO and this area. I am referring to the cases of Georgia and Ukraine. Georgia is considered partly as Eastern Europe and Ukraine fully belongs to Eastern Europe.

Georgia is and has been trying very hard to become a NATO member, especially after the war of 2008 and the loss of Abkhazia and South Ossetia. While for many political reasons the West supports the Georgians, the existence of these two new independent states is secured by the Russian Federation and this situation will remain a hot problem for years to come. Numerous attempts to "replay history" will have no chance to succeed.

The present president of Georgia Mikheil Saakashvili will continue trying by all means to change the present situation, but his sharp confrontation with Russia will not bring any positive results. And it is not only a question of "losing face"! NATO involvement in the entire problem could be very counterproductive at any stage. Georgia is a member of the Partnership for Peace, but has no Membership Action Plan. NATO understands that this problem is extremely complex and practically prefers to stay away from it, at the same time talking about a "post-graduate status" for Georgia and giving other encouraging promises.

The case of the Ukraine seems to be even more complicated. Previous Ukrainian presidents expressed a wish to join the organization and many steps in this direction were made. Ukraine became member of NATO's Partnership for Peace program, then received an individual Partnership Action Plan and was invited to an Intensified Dialogue. The present Ukrainian president stopped this movement towards NATO referring to the Ukrainian Constitution, which prohibits the country's participation in military alliances. Ukraine is so close to Russia that if it joins NATO this can create a very dangerous military-political situation for our country. I would call it even a *casus belli* situation. NATO military bases, if they were established in Ukraine (and this cannot be excluded), will be in such proximity to Russian strategic centers, that it might require a preventive strike. The flying time of missiles becomes the principal and crucial element for such apocalyptic decision-making.

But let us go back to Southeast Europe. It is my opinion that this region will not create very serious problems for any of us from the military-political viewpoint. Economic development, economic integration and disintegration, euro and other money fluctuations constitute another story that will be analyzed later in our conference. Kosovo remains a problem, but hopefully no war is in sight there. Serbia and Kosovo will go through painful and long talks before they can reach mutually acceptable solutions. This reminds me of the situation with Georgia and the two new independent states Abkhazia and South Ossetia.

The hottest spots of our planet are somewhere else than Southeast Europe. We will not analyze them here and now, but we do understand that many things are interrelated and they influence each other to quite a significant degree.

Here I would like to draw your attention to an idea I have supported for a long time now. NATO from time to time goes through different reforms, sometimes even through considerable reforms. Mainly they deal with military components of the alliance, improving them and making them more effective. I am hoping for reforms, which could increase the political component of the organization in order to transform NATO from a military into a political body. Such a process would positively influence Russian-NATO relations, make them friendlier and create a real partnership for the solution of many global problems.

I understand that it is not very realistic to expect a development in the above-mentioned direction. We should therefore concentrate on the problem of the missile defense system and try to come to mutually beneficial and acceptable solutions. This will improve the image of NATO as seen by Russian eyes and increase the possibilities for a more positive future role of NATO in Southeast Europe.

SMART DEFENSE IN SEE – REGIONAL COOPERATION AND COORDINATION, THE POOLING AND SHARING OF DEFENSE ASSETS, SPECIALIZATION

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During the Chicago NATO Summit, the heads of state and governments expressed their determination to ensure that NATO retains and develops the capabilities necessary to perform its essential core tasks – collective defense, crisis management and cooperative security – and thereby to play an essential role in promoting security in the world.

We must meet this responsibility while dealing with an acute financial crisis, which calls for austerity measures; and defense budgets are likely to remain tight across our countries. But "Smart Defense" is at the heart of this new approach. It represents a changed outlook, the opportunity for a renewed culture of cooperation, in which multinational collaboration is given new prominence as an effective and efficient option for developing critical capabilities. In this regard, we have to overcome some barriers linked to our traditional past, which emerge time and again. So we need to be flexible and pragmatic, and move away from being conformist and traditional. Capabilities we cannot afford at the national level could be developed jointly. A good example to be followed is the successful approach of the Baltic countries, even some cooperation under the Adriatic Charter (A3). Nevertheless, it requires strong political will at the parliamentary and the governmental level.

Let me further explore some key areas in which, I believe, we may further cooperate under the '*Smart Defense'* concept*:*

First, at the National Level

When building national capabilities, we should avoid parallel capabilities in the armed forces (*land, air and navy*), police, intelligence, border control units, customs services, etc. We cannot develop a bit of everything everywhere. We need to prioritize, and now under '*Smart Defense'*, we need to further prioritize the priorities. We cannot afford capabilities for the same assignment in different national institutions. In order to promote the right capabilities for security and defense as a NATO country, Albania is currently conducting a Strategic Security and Defense Review (SSDR). We are also working to develop a new Security and Military Strategy, which will consider elements of the 'smart security and defense' concept. The findings of this conference will also serve to further refine the '*Smart Defense'* concept.

Second, in the development of most critical capabilities through elimination of surpluses or units of low frequency use

The concept of usability is a primary test for future forces. We cannot afford to develop and maintain military capacities, which belong to the past, for we cannot meet the requirements of the present security challenges.

Third, at the regional level

No country in the region can develop all required capabilities to face the threats of our time. In the emerging security situation, 'regionalization' of some defense capabilities, based on NATO standards, is a smart choice to be considered (*when and where necessary and productive*).

Fourth, in the development of collective defense capabilities of NDPP (NATO Defense Planning Process) and National Planning

NATO is in the transition phase of the New Defense Planning Process and we may take advantage of this period to develop the capabilities we need for Article 5 or Non-Article 5 contributions. To build more and spend less, we may develop a regional framework for the development of specific Force Goals/Partnership Goals.

Development of the concept of a "*Single Set of Forces*" for the NATO Force Structure, the EU Battle groups, and the UN Pool of Forces is a rational way of implementing '*Smart Defense*'. We cannot afford the development of specific forces/capabilities for each international organization. Furthermore, all forces assigned for international operations should be available any time to support national operations as well.

Fifth, 'Smart Defense' with regard to joint participation in NATO, EU, UN or Coalition led missions

Joint participation in NATO-led operations, based on the experience of the A3 medical team and the current police operation POMLT (*police operational mentoring liaison team*) or the OMLT (*operational mentoring liaison team*) case in ISAF. Shared participation in operations is much better and cheaper than going alone. I think this may be an area of great interest for all of us.

Sixth, in the development of specialized niche capabilities

All our countries have traditional units and specialties, and what NATO and the EU need from us today are not mechanized or motorized battalions, but EOD (explosive ordnance disposal), C-IED (counter improvised explosive devices), MP (military police), OMLT, POMLT, CIMIC (civil military cooperation), PRTs (provincial reconstruction team), and other small spe-

cialized capabilities, which can be better provided by smaller nations.

Seventh, with regard to Civil Emergencies

Civil Emergency should be the primary area for cooperation and development of joint capabilities. Albania had a flood crisis last December and most countries in the region helped us. We are committed to do the same, and we should continue this approach of helping each other in these kinds of situations.

Eighth, applying a 'sharing and pooling' approach at the regional level

Sharing and pooling could be a better way to develop capabilities, which are beyond the possibilities of our nations, such as a Regional Airspace Management System, a Regional Air Policing System. Also, our countries are not able to develop Strategic Airlift, Intelligence, maritime, or other highly expensive capabilities, but we can work on alternative approaches based on the national, regional, or collective level.

As far as modernization is concerned we could encourage cooperation on joint procurement (funding) and maintenance of assets and capabilities.

Ninth, Education and Training

Pooling and sharing some of the national training and education institutions, where necessary, is a very efficient tool by which to achieve closer cooperation between our armed forces, and save considerable expenses. The efforts made so far in this area are to be appreciated, but a new promotion of a regional cooperation framework on training and education capabilities under the '*Smart Defense*' concept might be a project worthy of support. Albania has made available a Senior Regional Course on Security and Defense, which can be reformed as a regional college.

Pooling and sharing can be further extended when building and using the capabilities of existing and future Regional Centers of Excellence, or Facilities for Training and Exercises of regional countries. We are working to finalize the project for the Biza Training Center, a project to be provided for use to all regional countries and beyond quite likely the Krivollak Training Center in Macedonia, NBC (Serbia), PSO (BiH). We appreciate the capabilities provided by all other regional countries in this direction. This is a very important area to be further explored by the experts of our countries.

We may extend regional cooperation in decommissioning or dismantling excess ammunition, repair and maintenance, shipbuilding, maritime infrastructure logistics, medical support, etc.

Tenth, the Research and Development Element

We cannot find smart solutions without research and development in our defense institutions. Smart solutions require smart people and smart defense institutions based on knowledge and innovative practices. I think research and development in the security and defense area is a new item on the agenda for cooperation among our countries.

To deepen the cooperation perhaps, new legal arrangements are required, which should be reflected in our National Strategic Documents, as well.

CRISES RESPONSE AND PEACE SUPPORT CAPABILITIES OF EURASIAN REGIONAL ORGANIZATIONS: PROSPECTS FOR NATO-CSTO INTERACTION

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In the absence of the threat of large scale inter-state war in modern Europe, the future role of NATO, as well as of other regional organizations with security components like the European Union and the Collective Security Treaty Organization (CSTO), is defined by their ability to provide crisis response and peace support capabilities for various types of interethnic, cross-border or internal conflicts.

Russian attitudes to peacekeeping in Southeast Europe have been influenced by mixed or even partially negative experiences of peacekeeping together with NATO in Kosovo. It is notable that the collapse of the former Yugoslavia and dissolution of the former Soviet Union happened almost simultaneously. Russian politicians and the Russian public were and remain quite attentive to conflict resolution efforts in the Balkans, from early operations in Bosnia to the later situation around Albania and Kosovo. This is partly because of the simultaneity of Yugoslavia's problems with those of Russia and partly because of historic ties with Serbia and the strategic proximity of the former Yugoslavia. Russia supported United Nations peacekeeping and peace enforcement in the former Yugoslavia and sent a brigade to participate jointly with NATO troops in missions in Bosnia and Kosovo. While cooperation in the joint mission in Bosnia was relatively successful, the later mission in Kosovo proved to be difficult and controversial. While the operation in Kosovo may have contributed to practical interoperability, in other respects it discouraged future Russian participation in joint operations with NATO.

Peacekeeping and peace-enforcement conducted without much success by the UN-led UNPROFOR and then relatively successfully by the NATO-led IFOR/SFOR and KFOR missions received mixed reviews in Russia. For some, these operations represented a sign of real and positive change in the role of NATO and its relations with Russia. But other Russian politicians were deeply critical for several reasons. First, critics accused NATO of being biased against Serbs. With a certain degree of overstatement it might be said that Russians and NATO both feel to be on different sides of the Yugoslav conflict. Second, many Russian politicians believed that NATO violated or at least misinterpreted the UN mandate when it undertook Operation *Deliberate Force* in 1995. Third, whilst NATO was effective in performing military functions, it proved unable to promote a political settlement – political dialogue was left to the OSCE, the UN, the EU, the Council of Europe and other organizations and negotiating formats. In Kosovo, Russia argued that NATO failed to remain neutral, *de facto* protected the Albanian population and mistreated the Serbian population. Russia withdrew its

military contingent from the UN-mandated operation in Kosovo in early 2000, stressing that it disagreed with the West's interpretation of the operation's mandate.

Despite a serious impasse in Russia-NATO relations caused by these differences in the former Yugoslavia, the crises there allowed Russia and NATO to gain some joint experience in the field of peacekeeping. The Russia-NATO Council went so far as to develop a draft concept of joint Russian-NATO peacekeeping operations. It was the result of three years of consultations in a special working group set up for the purpose. Unfortunately, that document was never formally adopted. This draft joint peacekeeping concept may prove to be useful in the new environment as far as the tasks of upgrading the architecture of European security is concerned.

It also should be stressed that Moscow is significantly dissatisfied with the generally quite limited role of the United Nations and the OSCE in conflict resolution in the Post-Soviet space. Though sometimes in the international media the situation was interpreted as if Moscow is decisively against any international interference into conflict resolution in the Post-Soviet space, in practice it was not exactly so. For example, in 1995 the Presidents of five Newly Independent States (NIS) (Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan) directed a formal letter to the UN Secretary-General asking recognition of a UN-mandated and manned peacekeeping operation in Tajikistan. The UN abstained from such an operation, being overwhelmed by developments in the former Yugoslavia and other operations during that period.

CSTO: Ten Years as a Regional Security Organization in Eurasia

In September 2002, the charter of a new regional inter-state organization came into effect, marking a significant change in the geo-strategic situation of the NIS region. The conversion of the Collective Security Treaty[1] into the Collective Security Treaty Organization (CSTO), a full-scale international organization, began during the Moscow session of the Collective Security Council in May of 2002. After the establishment of the CSTO, the military and security integration of the participating NIS was essentially taken out of the CIS framework and the CSTO became a self-supporting mechanism of integration. The staff for the coordination of CIS military cooperation, which formerly supervised operations in Tajikistan and Abkhazia/Georgia, passed their responsibilities to the CSTO Military Staff. Given the preceding discussion, it is likely that Russia will continue to privilege regional arrangements and the

CSTO in particular over UN and NATO-led peacekeeping.

According to the UN Charter, regional security organizations are expected to deter external aggression (collective self-defense right), settle conflicts and conduct regional peacekeeping operations.

The CSTO is perceived in the West as an inefficient organization because its record until now lacks real field operations. But the first NATO military intervention only took place in 1995, forty-six years after its creation! The NATO website states: "When NATO was established in 1949, one of its fundamental roles was to act as a powerful deterrent against military aggression – a *raison d'être* that remained unchanged for nearly 50 years. In this role, NATO's success was reflected in the fact that, throughout the entire period of the Cold War, NATO forces were not involved in a single military engagement. For much of the latter half of the 20th century, NATO remained vigilant and prepared."[2] The CSTO only has a ten-year history and it too is "vigilant and prepared."

Nowadays transnational security threats and challenges make it almost impossible for a regional organization to be efficient solely by acting within its area of responsibility. That is why CSTO efficiency depends not only on its institutional capabilities and operations record but on external factors as well. By external factors we mean acknowledgement by other regional and global organizations and great powers and full-fledged, multilateral cooperation with them. The problem of CSTO acknowledgement by the EU and NATO results first and foremost from a lack of trust that in its turn comes from a barely non-existent strategy of CSTO image promotion at the international and regional levels.

There are four types of collective forces with different functions in the CSTO. The first type consists of *regional groups of forces* created to realize the right to *collective self-defense* and aimed at countering external aggression. According to the Collective Security Strategy of 1995, three groups of forces for each of the regions of collective security – Eastern European (Belarus and Russia), Caucasian (Armenia and Russia) and Central Asian (Russia plus Central Asian states) had to be created. So far, only the first two regional groups have been created on the basis of bilateral agreements between Russia and Belarus in 1997 and between Russia and Armenia in 2000. The Central Asian group has not been created yet, because Central Asian countries do not seem to be ready to cooperate in this sphere as they have delayed the procedures of preliminary political and legal examination of the documents at the national lev-

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[1] Signed in 1992, it entered into force in 1994. For the treaty text see URL http://dkb.gov.ru/start/.

[2] NATO operations and missions http://www.nato.int/cps/en/natolive /topi cs_52060.htm.

el, which led to the decision to temporarily withdraw this project from the agenda.

The second type of collective forces consists of the *CSTO's Collective Peace-Keeping Forces (CPKF)*. The idea to set up peacekeeping forces was first discussed by CST members back in 2000, it took three years to prepare the corresponding agreements and another four years to consider and take into account all national reactions, and so the official documents on peacekeeping were signed in 2007 and came into force only in January 2009. Today, the peacekeeping forces comprise about 4,500 troops assigned to the CPKF from the national forces of six CSTO member states, and will conduct in autumn of 2012 their first joint military peacekeeping exercise. Member states contribute troops to each peacekeeping mission on a voluntary basis. According to the agreement on peacekeeping activities of the CSTO, its collective forces can be used to conduct peacekeeping operations inside the CSTO region at the request of one of the member states, as well as outside the territory of member-states to take part in UN or other regional organizations' peacekeeping operations but only under UN mandate. On June 15, 2009, the President of Russia approved a decree assigning the Russian peacekeeping contingent to the CSTO Peacekeeping Forces. The Russian component includes a Separate Motorized Infantry Brigade (2,251 military), Special Tasks Police Forces (150 policemen), and 50 observers and advisors from the Ministry of Interior.

The assigning of large Russian military and police components to regional peacekeeping tasks has potential significance for the Russian capacity to contribute more to UN peacekeeping. These assigned, integrated forces must undergo special training for peacekeeping operations, which, in turn, requires the establishment of a peacekeeping training system. The new system will expand the current capacity for training to 200-300 peacekeepers at a time to a capacity to train up to 2,500 military and police personnel at a time. In October 2012, joint peacekeeping military exercises are planned for the CPKF.

The legal precondition for any CSTO-led operation is the official consent of the government of the territory on which a peacekeeping operation is carried out. It means that, from the legal point of view, CSTO activities are limited to only classical peacekeeping under Chapter 6 of the UN Charter, originally reduced to inter-state ceasefire monitoring. But now Chapter 6 peacekeeping operations are an endangered species and most probably the CSTO will simply not have a chance to deploy its peacekeeping contingents if it does not amend the adopted agreements. And taking into account the pace of coordination of peacekeeping documents at the previous stage, it will probably take the CSTO several years to become a full-fledged actor in global peacekeeping activities. At the same time, it seems that member states do not view the mentioned legal limitations as

an obstacle to developing CSTO peacekeeping potential.

The third type of collective forces are *Collective Rapid Deployment Forces for Central Asia (CRDF)* initially created in 2000-2001 and aimed at *deterring terrorist and extremist activities* in the region. The CRDF have approximately 4,000 troops and the Russian military airbase in Kant as an aviation component. Since 2004, the CRDF has held a yearly joint military exercise "*Rubezh*" based on anti-extremist scenarios. The CRDF in a way substituted for a planned regional group of forces for Central Asia.

The CRDF cannot be used in other than Central Asian regions for collective security, which is why the *Collective Operational Reaction Forces (CORF)* of approximately 15,000 troops were created in 2009 for potential use in any of the three CSTO areas of responsibility (Eastern European direction, Caucasian and Central Asian regions). These new Collective Operational Reaction Forces may be deployed to settle local and boundary conflicts or for special operations in case of threats of terror, extremism, prevention of drug trafficking, protection of pipelines, or the elimination of consequences of natural and man-made disasters. The CORF successfully held their first joint exercise "Interaction" in 2009. In 2011 CORF and CRDF participated in a large-scale, multi-stage, joint exercise "Center-2011."

The principal external threat is thought to be the infiltration of Islamists into Central Asia from Afghanistan after the withdrawal of NATO forces from Afghanistan in 2014. It has to be noted that personnel for both CORF and peacekeeping forces remain under national jurisdiction during peace time and unite in combined international brigades only during regular joint exercises or in case of emergency, and at the discretion of the national government.

The CORF was planned to include contingents from all member states but Uzbekistan refused to participate in these collective forces, and in 2012 Tashkent froze its participation in the CSTO. Presumably, Tashkent is unwilling to see CSTO contingents on its territory in case of a domestic crisis or conflict. However, fears about possible CSTO intervention in the internal affairs of any member state without its formal request are groundless: for example, in 2005 during the "tulip" revolution in Kyrgyzstan, the CSTO offered its assistance to President Akayev but he turned it down, saying that this was an internal issue. In 2010, during ethnic clashes between the Uzbek and Kyrgyz population in the Osh region, the CSTO also did not interfere, because of the absence of a formal request from the Kyrgyz authorities and the cautious position of other heads of CSTO states who did not want to create a precedent of collective external interference in case of domestic instabilities. Uzbekistan's reluctant position on the CPRF can probably also be explained by the fact that

Uzbek President Karimov, who has a special stance on regional crisis management, was reportedly not consulted at the stage of the initial conceptual discussion of the CPRF's creation proposed by the Presidents of Russia and Kazakhstan.

Domestic crises settlement is one of the most sensitive issues on the CSTO agenda. After the Kyrgyz events in 2010, the CSTO Charter and the CST itself were amended to create a legal basis for response to similar crises in future. In addition to mutual assistance in case of aggression, the CSTO will have functions such as response to crisis situations that threaten security, stability, territorial integrity and sovereignty of member states. These amendments have not come into force yet.

Apart from the collective forces exercises, CSTO members participate in joint operations aimed at combating soft security threats. For example, since 2006 yearly operations called "*Nelegal*" ("Illegal Migrant") on countering illegal migration from third countries have been carried out. The CSTO also develops cooperation in the sphere of information security – it is not the exact equivalent of cyber-security and is mostly aimed at countering extremist propaganda in the Internet: the CSTO operation "Proxy" resulted in the closing down of several web sites with extremist content. But the most effective practical cooperation is in the anti-drug trafficking sphere. Since 2003 the CSTO has held an annual operation called "*Kanal*" ("Channel") to detect and intercept narcotics and precursors along the so-called Northern route and part of the Balkan route that go through Central Asian countries, Russia and Belarus.

NATO – CSTO Interaction: Difficulties and Prospects

Its relationship with NATO is CSTO's sore spot. Usually this subject is analyzed beginning in 2004, when the CSTO sent an official letter to NATO with a suggestion to establish institutional relations. But in the 1990s the alliance's influence on cooperation between CST members was also visible. For example, the Collective Security Concept of 1995 states that CST members do not view any state or coalition of states as enemies. It also proclaims that member states will consult each other in order to coordinate their positions on cooperation, partnership and *participation* in NATO and other military-political organizations. In 1994, NATO launched the Partnership for Peace (PfP) program that was joined by all CST members.

The NATO operation in Kosovo also influenced CST activities, but only indirectly: this operation created obstacles on the drug trafficking "Balkan route" from Afghanistan, so the trafficking was mostly redirected to the "Northern route" through Central Asian countries and Russia. Along with a two-fold increase in the opium poppy crop in 1999 compared to the previous year, this led to the activation of Islamist extremists who made an attempt to penetrate from Afghanistan into the

Fergana Valley. In turn, these events resulted in the creation of the Collective Rapid Deployment Forces of CST members in Central Asia in 2001.

After 9/11 and the start of the operation in Afghanistan, Central Asian countries faced a dilemma of whether to let the antiterrorist coalition set up military bases in the region or not. What is interesting is that when it came to consultations with Russia on the question of NATO and CSTO bases, Kyrgyzstan and Uzbekistan (not a member of the CST at the time) preferred to coordinate it on a bilateral basis and not through the legal mechanisms of the CST. The same story repeated itself with the possible withdrawal from the U.S./NATO airbase in Manas (Kyrgyzstan) in 2009. But after all, the CSTO indirectly benefited from U.S. bases in the region and U.S. antiterrorist operations as otherwise it would have been the CSTO countries, which would have had to deal with extremist threats from Afghan territory.

The NATO approach towards the establishment of official relations with the CSTO has not changed since the mid-2000s. Robert Simmons, the first NATO Secretary General's Special Representative for the Caucasus and Central Asia stated in 2005 that it was too early to launch an institutionalized cooperation with the CSTO.[3] In 2009, the same view was exposed in a secret U.S. cable which became publicly known after the Wikileaks disclosures in February 2011: "We maintain that while NATO strives to enhance its engagement with Russia, including cooperation that could lead to practical results such as greater Russian assistance to Afghanistan, it would be counterproductive for NATO to engage with the CSTO, an organization initiated by Moscow to counter potential NATO and U.S. influence in the former Soviet space. To date, the CSTO has proven ineffective in most areas of activity and has been politically divided. NATO engagement with the CSTO could enhance the legitimacy of what may be a waning organization, contributing to a bloc-on-bloc dynamic reminiscent of the Cold War."[4] This telegram from September 10, 2009 by Ambassador Ivo H. Daalder gives a clear impression of a typical Western view of the CSTO. The alliance's summit in Lisbon in November 2010 started a kind of reset of relations only with Russia but not with the CSTO. The NATO Chicago summit slightly promoted a further NATO-Russian dialogue, though not NATO-CSTO relations.

NATO's current Strategic Concept (article 28) states that "the promotion of Euro-Atlantic security is best assured through a wide network of partner relationships

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3   http://www.rian.ru/world/world_community/20051214/42482271.h
    tml.
4   NATO Secretary General Ready to Reach Out to CSTO? Af-
    tenposten, 11.02.11. Accessed: http://www.aftenposten.no/spesial/
    wikileaksdokumenter/article4025429.ece.

with countries and organizations around the globe."[5] It is suggested to enhance cooperation through "flexible formats" (article 30). This approach is very similar to the Russian concept of "network diplomacy" included in the Russian Foreign Policy Concept: "Bloc-to-bloc approaches to solving international problems give way to network diplomacy which is based on flexible forms of participation in multilateral structures in order to collectively solve shared problems."[6]

In fact, from the point of view of international law, the CSTO belongs to the same type of regional security organization as NATO under the provisions of Chapter VIII of the UN Charter. The CSTO does not pretend to balance or obtain parity with NATO, not only because the combined defense budgets of the NATO nations are approximately twenty-five times higher than the combined defense budgets of the CSTO member-states, but also because of the general political design and orientation of the CSTO as an organization.

The CSTO's readiness to provide peacekeeping forces for operations under an external UN mandate runs parallel with another important change: the EU, NATO and out-of-region powers such as the USA, China, Iran, and Turkey are gradually getting more and more involved in conflict resolution, and political balances in the Post-Soviet space. Russian public opinion has increasingly recognized the South Caucasus and Central Asia as "not being ours" or, to be more precise, "not necessarily being fully ours." In other words, Moscow wants to exchange its own tolerance for a greater conflict resolution role of the West «here», inside the Post-Soviet space, with the greater Russian and CSTO security role «there», outside the Post-Soviet space, including the Middle East, in countries like Libya and Syria, and Southeast Europe as well.

Though "grand security architecture" issues in the Post-Soviet part of Eurasia remain under the major influence of Russia as the biggest actor in the Post-Soviet military infrastructure, it has become impossible for the West to negotiate or resolve military and security issues with Moscow only. Some security issues have been relocated into the "CSTO basket," with Russia-dominated, but multilateral diplomatic procedures and mechanisms.

The time has come for Moscow to recognize that the conflict resolution process in Moldova and Transnistria, Georgia, Abkhazia and South Ossetia can no longer be conducted without mediatory participation from the European Union, NATO, and the OSCE. At the same time, NATO and other Western institutions seeking a role in mediation in the NIS should recognize that

peacekeeping and conflict resolution efforts in various Eurasian areas, including Eastern Europe, Southeast Europe, South Caucasus must proceed in cooperation with Russia and the CSTO, not "instead of Russia." So, better interaction and cooperation between NATO and Russia, and NATO and the CSTO is an imperative of the times, both in the Post-Soviet space and in Southeast Europe, as well as beyond these geographic limits on a global scale.

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5   "Strategic Concept For the Defence and Security of The Members of the North Atlantic Treaty Organisation"http://www.nato.int/ lisbon2010/strategic-concept-2010-eng.pdf.

6   http://www.mid.ru/osndoc.nsf/4e5fa867101effb4432569fa003a705 a/d48737161a0bc944c32574870048d8f7?OpenDocument.

THE LIMITS OF LIBERAL PEACE IN THE WESTERN BALKANS

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Twenty years ago, while the West was hailing the ushering in of a new liberal era based on democracy, human rights and free trade, Yugoslavia was imploding under the pressure of economic crisis, weak institutions and nationalism. The root of the ensuing armed conflict was the fact that the newly formed nation-states were at the same time ethno-national in imagination and multinational in character. Given the global liberal *Zeitgeist*, it is unsurprising that ever since the early 1990s, the approach of the Western international community vis-à-vis the Western Balkans was based on the assumption that shared sovereignty, European integration, democratic institutions and free trade will gradually sweep away ethnic grievances thus laying the ground for a sustainable security community composed of functioning multiethnic democracies. The argument in a nutshell has been that as the former Yugoslav states democratize and Europeanize under international trusteeship and as the standards of living consequently improve, ethnic issues would gradually fade from the agenda.

The liberal peace approach, coupled with NATO deterrence on the ground, had its merits in more or less coercively pacifying interstate relations in the region. However, liberal peace building did not sink tenacious ethno-nationalist disputes into oblivion but only managed to temporarily mask them. What is more, as this paper will demonstrate, the liberal peace model unintentionally contributed to the further consolidation and institutionalization of ethnic divisions. If the approach of international custodians remains complacent about its temporary successes and ignorant of its long-term limitations, the region's in-built antagonisms will continue to fester until they are ultimately resolved through further fragmentation and complete ethnic homogenization of states, peaceful or violent. The argument will proceed in the following manner. First, the liberal peace theory will be introduced. Then, the approach of the Western international community to the post-Yugoslav security predicament will be critically analyzed in broad brushes. Finally, the key limitations of liberal peace building in the Western Balkans are discussed.

Liberal Peace

The core idea of the liberal peace theory is that democracy and free trade have pacifying ramifications not only for domestic but also for international politics. The idea has a long intellectual tradition dating back to the key enlightenment thinkers such as Immanuel Kant and classical liberals like Adam Smith. It was rejuvenated at the outset of the 20th century when Norman Angell argued in his book "The Great Illusion," published in 1910, that European economies were integrated to such

an extent that war between them was unimaginable.[1] Although his prediction collapsed just a few years later when the First World War broke out, the title of his book proved to be quite correct: the liberal peace was indeed a great illusion. Thirty years later, E.H. Carr, in his devastating critique of interwar idealism, demonstrated that the "harmony of interest" promised by the liberal peace theory does not so easily come about.[2] The League of Nations failed to deliver, argued Carr, because it neglected power-political realities of the world and self-indulged in utopian illusions of liberal peace. Although the ensuing long peace among democracies is difficult to attribute solely to the liberal forces at work, since it is impossible to disentangle it from the pacifying effects of nuclear weapons and U.S. hegemony, it nevertheless has rejuvenated enormous academic and political interest in liberal peace theory over the past decades.[3]

When the Cold War ended, liberal peace under shared U.S.-EU leadership was meant to spread to the East and Southeast of the old continent potentially to envelop the rest of the world as well. States and regions, which failed for one reason or another to integrate into the new world order, were subject to political and economic custodianship and, if need be, military intervention. In this context as Mark Duffield writes "liberal peace embodies a new or political humanitarianism that lays emphasis on such things as conflict resolution and prevention, reconstructing social networks, strengthening civil and representative institutions, promoting the rule of law, and security sector reform in the context of a functioning market economy."[4] It is clear that in both the theory and practice of liberal peace, little room was left for issues such as identity, culture, religion and ethno-nationalism – lying at the very heart of the so called new wars, including those in the former Yugoslavia.

The West and the Yugoslav Crisis

When the Yugoslav crisis erupted in the early 1990s, the West, enchanted by the U.S.-led new liberal global order, alleged that it could prevent bloodshed by means of sheer diplomacy. It took five years of devastating and

barbaric war before it became crystal clear that without credible military force to back them, diplomatic efforts alone were of little use to stop the ethnic conflicts in Croatia, Bosnia, Kosovo and Macedonia. It was only after NATO had intervened militarily that the cornerstones of "negative peace," embodied in the Dayton Peace Agreement, United Nations (UN) Security Council Resolution 1244 and the Ohrid Peace Agreement could be established. The West succeeded in ending the wars, but the root causes of conflict in the former Yugoslavia were not eradicated: the newly formed nation-states were still at the same time ethno-national in imagination and multinational in character.

There seemed to be only two straightforward solutions to this conundrum. Either the multinational character of states or their ethno-national imagination was to be scrapped. The Western international community was not ready for the former, while the states in the region opposed the latter. In both cases, this was out of sync with their collective self-understandings. Mono-national states could only come about through ethnic cleansing and exchange of territories and populations, part and parcel of a long-abandoned European model of state building. Allowing such a scenario to unfold in the heart of the old continent, whose modern, civilized political identity is built exactly in opposition to such a barbaric past, would deal a devastating blow to the core of European collective identity. For this reason, the West fiercely opposed, at least in principle although not in practice, the creation of mono-ethnic states. Western Balkan nation-states for their part were without exception first imagined and then fought into existence as ethnic communities, tied by blood, religion and language, not by civic communion. Abandoning exclusive ethno-national ties in favor of inclusive civic community was dreaded by the new nation-states as a way to inner death.

So when both of the two solutions to the political-security conundrum of the region proved to be inoperable identity wise, the international community embarked the Western Balkans on a third path – that of liberal peace. The most difficult outstanding border and territorial issues were put off while the efforts of both domestic actors and the international community were focused on liberal state building. The assumption behind this was that shared sovereignty, democratization, free trade, European integration and regional cooperation would gradually fade ethnic tensions and outstanding statehood issues away into irrelevance. As Jacques Rupnik phrased it "The shared European roof is meant to help defuse contentious territorial and institutional issues in parallel to the EU accession process."[5]

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[1]   Angel, Norman, *The Great Illusion: A Study of the Relation of Military Power in Nations to their Economic and Social Advantage*, New York: G. P. Putnam Sons, 1910.

[2]   Carr, Edward H. *The Twenty Years' Crisis 1919-1939*, London: Macmillan, 1981[1939]..

[3]   On liberal peace theory see: Doyle, 1983; Russett, Bruce, *Grasping the Democratic Peace*, Princeton, NJ: Princeton University Press, 1993. On hegemonic stability theory see: Gilpin, Robert and Jean M. Gilpin, *Global Political Economy: Understanding the International Economic Order*, Princeton: Princeton University Press, 2001. On nuclear stability theory see Sagan, Scott D. and Kenneth N. Waltz, *The Spread of Nuclear Weapons: A Debate*, New York: W. W. Norton & Co,1995.

[4]   Duffield, Mark, *Global Governance and the New Wars*, London: Zed books, 2001., p. 11.

[5]   Rupnik, Jaccques,"The Balkans as a European Question", 1-30, in Jaccques Rupnik (ed.), *The Western Balkans and the EU: 'The Hour of Europe'*, Chaillot Papers, Paris: EUISS, June 2011, p. 24.

Successful post war reconciliation of erstwhile archenemies – France and Germany – together with European economic integration under the military umbrella of the U.S. served not only as a powerful analogy but also as an ultimate argument that this was the right way to go. During the Yugoslav wars, the Western Balkans was already represented in the West as a backward illiberal incarnation of a dark European past. Now that the wars were over, the liberal West was supposed to take by the hand the illiberal war-torn region through that very same experience that transformed Western Europe after the Second World War.

Not only the entire international community has adopted this strategy but it was more or less wholeheartedly endorsed by the states in the region too. They have all embraced liberal-democracy and defined membership in the EU and NATO as their supreme foreign policy goals.[6] The region reconnected economically, culturally and socially into what Tim Judah called the Yugosphere.[7] In addition to a dense network of bilateral relationships, the Western Balkans has been institutionally brought together in a few dozen multilateral cooperation schemes ranging from economy and culture through energy to the security and defense areas.[8] Coupled with a strong military deterrent on the ground, the liberal strategy managed to pacify the region and create what the former Serbian President Boris Tadić called a "success story in the making."[9] Such positions fit well into a European mainstream discourse on the Balkans that seems to be permanently stuck in the limbo of "the glass half full." The optimism behind it is based on an eschatological assumption that the region is on the well-trodden path that will ultimately solve the Western Balkans the same way it solved Western Europe after the Second World War and Eastern Europe after the Cold War. Liberal peace, enforced by overwhelming external power and implemented by internationally socialized political elites is expected to simultaneously build sovereign states and make them pool their sovereignty thus gradually removing the deep causes of conflict.

The Limits of Liberal Peace

To be sure, liberal peace building, in concert with the NATO military overlay, succeeded in taking off the table the use of force *between* states in the Western Balkans. An embryonic security community seems to have been put in place at least as far as interstate relations are concerned.[10] But one does not have to be a die-hard realist to see that the liberal peace strategy failed to generate "dependable expectations of peaceful change "*within* states."[11] In contrast to Western Europe after the Second World War, peaceful change in the Western Balkans is not endangered by politics *between* states but rather *within* them. The custodians of liberal peace nevertheless assumed that internationally sponsored state-building efforts would gradually defuse this challenge just the same. But the weakness of states in the Western Balkans is not only, and not most importantly, about their capability to govern, fight corruption and organized crime or deliver public goods. Notwithstanding the magnitude of such challenges, they are still more or less manageable if left to liberal devices and internationally supervised state building.

The key internal challenge for Western Balkan states upon which liberal therapy does not seem to have any therapeutic effect whatsoever is the issue of socio-political cohesion of multiethnic states. Contrary to liberal expectations, internationally assisted capacity building, promotion of good-governance, democracy, free trade and regional cooperation have neither eradicated ethnic disputes nor strengthened the links between states and their societies. When the last conflict ended in 2001, the three outstanding ethnic disputes in Bosnia, Macedonia and Serbia/Kosovo remained unsolved. In spite of the enormous efforts and resources involved, eleven years later politics between ethnic groups in the Western Balkans remains the continuation of war by other means. As a result, the region is hardly an inch closer to the resolution of these three ethnic disputes. As a Gallup poll from 2010 showed, 87% of residents of Republika Srpska favor independence, 81.1% of Kosovo Albanians support the idea of Greater Albania while 28% of Macedonians expect a new war to break out in the next five years.[12]

Sometimes, these three unresolved statehood cases are erroneously referred to as 'frozen conflicts'. On a closer inspection, though, it is obvious that ethnic tensions are continuously simmering and threaten to boil at the slightest hints of weakness in the wider liberal econom-

6   The sole exception is Serbia which declared military neutrality in 2007.
7   Judah, Tim, "Entering the Yugosphere", *The Economist*, 20 August 2009.
8   Some of the key regional security initiatives in the field of security are: the South-Eastern Europe Defense Ministerial (SEDM), the Multi-national Peace Force for South East Europe (SEEBRIG), RACVIAC or SEEGROUP, the expert level group on organized crime (SPOC), the Advisory Group (SEEPAG), the South East European Co-operation Initiative, the Public Prosecutors Office (PROSECO), the South East European Police Chief Association (SEPCA), the Police Co-operation Convention etc.
9   Address to the Belgrade Security Forum on September 15, 2011. The text of his speech is available at http://www.ata-sac.org/article-313-612-Address-by-President-Tadi-at-the-Belgrade-Security-Forum/.

10 On security community see Deutsch, Karl W.; et al., *Political community and the North Atlantic area; international organization in the light of historical experience*, Princeton, 1957. On embryonic security community in the Balkans see Kavalski, Emilian, *Extending the European Security Community: Constructing Peace in the Balkans*, London: Tauris Academic Press, 2007.
11 Deutsch, Karl W.; et al., 1957, p. 5.
12 http://www.balkan-monitor.eu/files/BalkanMonitor-2010_Summary_of_Findings.pdf.

ic and political order. The current world economic crisis, European monetary disarray and enlargement fatigue have exposed this failure of liberal project very clearly. It all shows that when the EU catches a cold, the Western Balkans get pneumonia. One can only imagine what could happen in the region if the EU would politically succumb to its current monetary illness.

But the liberal peace-building strategy not only avoided engaging with ethnic disputes thus leaving the deep causes of conflicts intact – it effectively contributed to their institutionalization thus exacerbating the problem in at least three ways.

First, the prolonged protectorate status of Bosnia and Kosovo continuously decreases public support for state institutions and produces further support for alternative ethno-national projects.[13] In other countries of the region, the confidence of citizens in their national governments is also very low, usually far behind the EU and NATO.[14]

Second, by de-politicizing the EU accession process, the Western Balkan states, although formally sovereign, have increasingly been turned into mere administrative organs. Although states' managerial capacities have been continuously developing, their integrative function, crucial for solving outstanding ethnic disputes, has remained rudimentary.[15] Deep political reforms are often disguised as technical ones immunized from a wider democratic discussion. As such they may be easier to pass, but more difficult to be implemented since they lack genuine democratic legitimacy. The reason why police reform in Bosnia failed to bring the country together is the fact that the international community attempted to pass it off as a technical issue and not as a highly political one. The more recent "technical negotiations" between Belgrade and Prishtina suffer the same drawbacks. This is best testified to by the recent election of nationalist president Tomislav Nikolić in Serbia, who criticized the very technical and secretive nature of negotiations as a cuckoo's egg for Kosovo's independence.

Third, by insisting on *vertical* relations between individual Western Balkan states and various international bodies instead of *horizontal* relations between polities themselves, the liberal strategy resulted in their competition for international attention and resources rather than cooperation. This in turn strengthened ethnic sovereignty and the consolidation of *de facto* states in Republika Srpska and Kosovo (until 2008) as well as the current impasse in Macedonia and North Kosovo.[16] Ethnic tensions in Bosnia are hardening as the weakening magnetism of EU membership increasingly proves incapable of keeping the state together.[17] The international community still relies on the EU conditionality policy as the panacea for the problem of North Kosovo in spite of the persistent lack of consensus among member states and their inability to find a working solution. The Greek veto on Macedonia's Euro-Atlantic integration due to the name dispute hardened ethnic tensions between ethnic Macedonians and its restive Albanian community. The worsening ethnic relations in turn diminished Macedonia's integration prospects with no visible way out of this vicious circle.

As paradoxical as it may seem, the Western Balkans managed to build a security community between states but not within them. Naïve expectations that liberal peace will in and of itself make ethnic disputes disappear will generate disappointments on both sides. The West will be disillusioned by the Western Balkan states' lack of capacity to overcome their key challenges, while the latter will be disappointed by the reluctance of the EU and NATO to open their doors and may seek dangerous alternatives.

Conclusion

The case has not been made here that liberal peace is sheer utopianism that is doomed to fail. Free trade, democracy and international cooperation are indeed extraordinary tools of conflict management. However, liberal peace cannot solve identity conflicts in and of itself. It can at best contain them within the realm of political struggle and keep them from being securitized. At worst, by not addressing issues of culture and identity upfront, naively believing they will simply fade away as time goes by, the liberal peace strategy becomes part of the problem.

This is why it is in dire need of considered adjustment. To end on a more constructive note, five ideas on how to overcome the limits of the liberal project in the region will be outlined.

To begin with, the international community should abandon its naïve idea that external tutelage, market

[13] Bieber, Florian, "The Western Balkans after the ICJ opinion", 135-143 in Jacques Rupnik (ed.), *The Western Balkans and the EU: 'The Hour of Europe'*, Chaillot Papers, Paris: EUISS, June 2011, p. 143.

[14] http://www.balkan-monitor.eu/files/BalkanMonitor-2010_Summary_of_Findings.pdf.

[15] Chandler, David, *Empire in denial,* London: Pluto Press, 2006.; Chandler, David, "Normative Power and the Liberal Peace: A Rejoinder to John O'Brennan", *Global Society*, Vol.22, No. 4, 2008, 519-529.

[16] Fawn, Rick and Oliver P. Richmond, "De Facto States in the Balkans: Shared Governance versus Ethnic Sovereignty in Republika Srpska and Kosovo Yugosphere", *Journal of Intervention and Statebuilding*, Vol.3, No. 2, 2012, 205-238.

[17] Holbrooke, Richard and Paddy Ashdown, "A Bosnian powder keg", *The Guardian*, 22 October 2008.; McMahon, Patrice and Jon Western, "The Death of Dayton", *Foreign Affairs*, September/October 2009.; Abramovitz, Morton and James Hopper, "The Death of the Bosnian State', *National Interest,* July 20, 2011.

forces and democracy alone will glue together Bosnia, Macedonia, Serbia and Kosovo. Insisting on this idea may massage the conscience of well-intentioned liberal strategists in the short run and at best preserve the *status quo*. In the long run, however, this strategy is likely to fail and lead to further fragmentation and ethnic homogenization, maybe even renewed armed conflict.

Second, national identity, culture and ethnicity need to be taken seriously. These are not endemic facets of irrational, illiberal subjects that will simply disappear when the magic wand of liberal peace is waved enough times. To the contrary, as the recent rise of right wing political forces across the EU clearly demonstrates, the assertive defense of one's way of life is a symptom of a wider crisis of liberal order. Therefore, the Western international community should foster the development of inclusive civic identities. Such identities cannot come about overnight. But they can be conceived, cultivated, fostered and strengthened until they mature enough to gain dominance. Investment in civic education and inclusive culture is of crucial importance.

Third, the international community should balance its current attention on technical issues such as good governance and institutional capacity with more effort put in building socio-political cohesion and openly addressing ethnic and territorial disputes.

Fourth, instead of focusing on vertical shared sovereignty between Western Balkan states and international bodies, the international community should invest in building horizontal shared sovereignty between states and entities in the region. This has to go beyond the traditional call for regional cooperation and needs to include a call for a regional pooling of sovereignty with strong regional ownership.

Finally, the international community needs to discard its rigid Westphalian tunnel vision and find institutional ways to cope with ambiguity and hybridity.

REGIONAL SECURITY FRAMEWORK IN SOUTHEAST EUROPE: JUST A STEP AWAY?

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I posit that the security community in Southeast Europe is growing and improving. Many regional security cooperation initiatives have developed over the years. Some are in the fields of soft security (i.e. fight against corruption, organized crime), others are in the fields of hard security (i.e. military cooperation). Some of the processes are initiated bottom up, by the countries involved. Others have been initiated top-down by international actors.

Some of the countries in the region are EU and NATO member states. All others have a strategic interest in joining the EU and all, except for Serbia, want to join NATO. These common strategic interests foster regional security cooperation. On the other hand the countries in Southeast Europe face common threats and challenges. The intertwining of regional security cooperation initiatives, with the same strategic goals, and shared threats and challenges, creates the necessary conditions for the countries in the region to have stable peace.

However, the region still lacks a common identity. Also, in some countries, there is a perception among the people that their neighbors are hostile. This mainly emanates from unfinished post-conflict reconciliation and the enduring nationalistic narratives used for political mobilization. Hence some people securitize their neighbors. They see them as foes rather than as friends.

I argue for increasing security cooperation in the framework of existing regional initiatives. Regional security cooperation needs to be strengthened on the highest political level. Stronger political leadership in security cooperation, primarily with the aid of the EU and supported by NATO, would strengthen the democratization of the countries. Such a process would de-securitize neighbors, helping them to establish closer relations. This is deemed important as the Euro-Atlantic structures are not only based on interests, but are also communities of shared values. Closer security cooperation would also help the countries that are still not members to reach membership in EU and NATO sooner than later.

Conceptual Clarifications

Before I outline the state of regional security cooperation, I want to make some conceptual clarifications. From a theoretical perspective, the concepts of security community and securitization are important for my understanding of regional security cooperation in Southeast Europe. From a policy perspective it is important to outline the level and elements for security cooperation.

A security community is one where members share a common identity and where they solve their social issues without resorting to violence. This concept derives

from the seminal work of Karl Deutsch. In the view of Deutsch two conditions facilitate the formation of a security community: states' capacities to respond to each other's needs and a compatibility of values.[1] A security community signifies a stable order and stable peace. Interstate communication and transactions aid the creation, maintenance and enhancement of the security community. It is a learning process in which actors socialize and create a common identity.[2]

Defining a political issue as a security threat is an act of securitization.[3] Securitization is the conceptualization of security. That is the process whereby one identifies threats and challenges. Security strategies and policy options are based on that conceptualization.

States decide to pool sovereignty and share decision-making powers, when they see higher benefits from cooperation. However security is among the policy areas of highest consideration. It deals with the protection of sovereignty. It is also highly symbolic. Security cooperation is possible when security dilemmas are overcome. The existence of an external threat fosters security cooperation. Security cooperation can be sustained if there is a community based on shared understanding, values and transaction flows. Dense transnational networks encourage community building.

What Is There in Regional Security Cooperation in Southeast Europe?

On the research side of regional security cooperation in Southeast Europe there is a policy proposal for common battle groups following the example of the EU battle groups,[4] and an analysis highlighting the lack of regional identity as impediment to regional security cooperation.[5] The results of the most recent research project are still pending.[6] In 2007, the Geneva Centre for the Democratic Control of Armed Forces (DCAF) published the "Study on Assessment of Regional Security Threats and Challenges in the Western Balkans."[7] The study covers Albania, Bosnia and Herzegovina, Croatia, Macedonia

and Serbia. It shows that the main security threats in these countries are very similar, those being: organized crime, economic stability, corruption, state failures and natural disasters.

On the policy side of regional security, the cooperation is steadily developing. The Regional Cooperation Council (RCC) is the pivotal point for this policy development. The annual reports of the Secretary General of the RCC on regional cooperation in Southeast Europe for 2010-2011 and 2011-2012 show that regional security cooperation is improving.[8] Efforts are being made for these endeavors to be streamlined with the EU's activities and the Instrument for Pre-Accession (IPA) Multi-beneficiary program.

There are existing and institutionalized mechanisms for regional cooperation on 'soft' security issues such as the fight against organized crime and corruption, as well as refugees and asylum seekers. These are: the South East European Law Enforcement Centre (SELEC), Southeast European Prosecutors Advisory Group (SEEPAG), Regional Anti-Corruption Initiative (RAI) and the Migration, Asylum, Refugees, Regional Initiative (MAR-RI) Center. At the same time, the RCC supports the improvement of minority rights and promotes closer cooperation in countering terrorism, cyber security and defense procurement.

There is also standing regional cooperation on 'hard' security issues. The Regional Arms Control Verification and Implementation Assistance Centre for Security Cooperation (RACVIAC center) grew from a center for arms control and confidence building to fostering dialog and security cooperation. There are also several other standing initiatives that promote closer security cooperation. These are: the Regional Secretariat of the Disaster Preparedness and Prevention Initiative (DPPI), South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons (SEESAC), South East Europe Defense Ministerial (SEDM), US-Adriatic Charter A5 and the South Eastern Europe Clearinghouse (SEEC).

In recent years, the RCC has promoted closer security and defense cooperation. The RCC helped the establishment of coordination mechanisms in the form of regular meetings of key officials from security and defense, for example meetings among Southeast European Chiefs of Military Intelligence along with the EU Military Intelligence Directorate. Also, the Heads of the Southeast European National Security Authorities had two meetings in 2010 and 2011. The first conference of the Southeast European Counter-Intelligence Chiefs is scheduled for the end of 2012. The aim of the RCC for the following period is to „enhance regional dialogue

1   Karl W. Deutsch, et al. *Political Community and the North Atlantic Area: International Organization in the Light of Historical Experience,* Princeton 1957.

2   Emanuel Adler and Michael Barnett (eds.) *Security Communities*, Cambridge 1998.

3   Barry Buzan et al. *Security: A New Framework for Analysis,* London/Boulder 1998.

4   Filip Ejdus et al. "Towards a Western Balkan Battlegroup", *Policy Paper*, Belgrade 2010, available at http://www.ccmr-bg.org/upload/document/1104041204_policy_paper_br__1-.pdf (accessed 10 August 2012).

5   Cvete Koneska. "Regional Identity: The Missing Element in Western Balkans Security Cooperation", *Western Balkan Security Observer*, No 7-8, 2007/2008.

6   In 2011 the Research Council of Norway supported the project "Security Transitions in the Western Balkan Countries – From Conflict Zone to Security Community?" For more see www.forskningsradet.no.

7   For more see http://www.dcaf.ch/Publications/Study-on-the-Assessment-of-Regional-Security-Threats-and-Challenges-in-the-Western-Balkans (accessed 08 August 2012).

8   For more see http://www.rcc.int/.

and cooperation mechanisms on security and defense issues...with high impact on confidence building."[9]

So it is not only that the strategic goals and common threats are in line. There are growing transactions and interstate communication. These processes allow for the security community to be built and bind countries closer together. The Euro-Atlantic perspective of the region is certainly a strong pull factor for closer security cooperation. And there is a bottom up push mitigated by the RCC. At the moment, it seems that there is a stable order and stable peace in Southeast Europe.

The results of the latest Gallup Balkan Monitor poll show that the majority of the populations in various countries consider that an armed conflict in the Balkans is highly unlikely in the next five years.[10] The results are shown in Table 1 below. The 'Yes' answers are the sum of certainly and probably yes and the 'No' answers are the sum of certainly and probably not.

Table 1. Likelihood of armed conflict in the Balkans in the next five years

	MKD	ALB	KOS	MNG	SER	BIH	CRO
Yes	27.3	10.8	13.1	8.8	23.6	11.5	5.8
No	64.2	74.9	68.5	81.8	61.6	80.9	87.6

On the other side the identification with national identity is much stronger than the identification with a common Balkan identity. The results are shown in table 2.

Table 2. Identification with own nationality and Balkan, sum of extremely strong and very strong

	MKD	ALB	KOS	MNG	SER	BIH	CRO
Nationality	82.6	72.8	85.1	78.6	71.2	53.7	56.7
Balkan	37.5	50.6	53.3	46	29.9	20.7	8.9

Also, across the region there is a generally low trust in democratic institutions: parliament, government, president, judiciary, media, political parties and the fairness of elections. At the same time there is somewhat more trust in religious organizations, police and the military. It seems that people across the Western Balkan countries have compatible values, but they are not democratic and liberal values. The shared values are nationalistic and authoritarian.

Across the region there is a perception of external threats from neighbors. People securitize their neighbors. For example, 76.5% of the population in Albania considers Serbia a hostile country, while 25.6% think that Monte-

negro is hostile toward Albania. In Croatia 57.4% of the population think that Serbia is hostile. In Kosovo 59.6% think that Serbia is hostile toward them, 23.7% think that Montenegro is hostile, 21.3% say that Macedonia is hostile and 19.3% say the same for Bosnia and Herzegovina. In Serbia 77% of the population think that Kosovo is hostile, 45.4% that Croatia is hostile and 21% think the same for Bosnia and Herzegovina.

When asked what the main obstacles to Western Balkan cooperation are, people across the region point first to historic animosities, then come national politicians and last are cultural differences. Hence, across the region there are dense transnational networks of security cooperation. They give the basis for a growing security community. At the same time the shared values are not democratic and liberal, and people securitize their neighbors.

Impediments to Closer Regional Cooperation

One can argue that the countries in the region have individual paths toward EU and NATO integration. Then why have closer regional security cooperation? And what if there is no closer security cooperation?

At the moment, a regional identity is missing. At a certain level of abstraction, one can identify two cultural spheres: a Yugosphere and an Albanosphere. Can they be forged into a common identity? The post-conflict reconciliation process is not complete. The negotiations between Serbia and Kosovo are ongoing. The relations among Serbia, Croatia and Bosnia and Herzegovina are overshadowed by issues deriving from past conflicts.

Internally, the countries, to a varying extent, suffer similar challenges of democratization. The transition process is coming to an end, yet it has also produced shadow structures, with strong transnational ties that profit from the lack of democratic reforms. The state-building process is not finished and inter-ethnic relations are fragile, in particular in Kosovo, Bosnia and Herzegovina and Macedonia.

Probably the highest impediment to regional security cooperation is enduring nationalism that lingers as a strong sentiment. Political campaigns perpetuate the historical narratives and ideas of greatness. The political elite considers nationalism a potent instrument for mobilization and is not willing to give it up. Hence they are not willing to reconsider what sovereignty means in the context of EU and NATO integration in terms of pooled sovereignty and shared decision making.

If there was no closer regional security cooperation, the individual paths of the countries toward EU and NATO integration would be incremental. Neighbors would remain securitized and nationalistic sentiments would continue. Internally, non-democratic values and authori-

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9 RCC, *Strategy and Work Programme, 2011-2013*, Sarajevo 2010, 19 (available at http://www.rcc.int/).

10 For more see Gallup Balkan Monitor, www.balkan-monitor.eu (accessed 10 August 2012).

tarian practices might be reinforced. Democratization will slow down to the benefit of shadow structures. Without closer security cooperation individual countries might gain formal membership in Euro-Atlantic structures; however it is uncertain whether they will be full members in the community of values.

Building closer security cooperation is not needed despite the mentioned impediments. It is needed as an instrument to solve some of the problems. De-securitizing neighbors and tackling nationalism is not possible without acts of closer security cooperation. This needs to be done on the highest political level with the appropriate support principally from the EU and NATO as well.

How to Get to a Regional Security Framework?

The existing regional security initiatives and coordination mechanisms supported by the RCC provide adequate instruments for interstate communication and socialization. There are also plenty of EU and NATO sponsored activities. But these activities mainly build professional and epistemic communities.

Shared interests and general strategic orientation are the main opportunities for improving regional security cooperation on the highest level. The crucial point is that cooperation should be based on common interests. Such cooperation should embrace a future identity. It should not be built on past reminiscences.

A good poster child is the experience from the Adriatic Charter. This is a case of unlikely success. The starting conditions did not guarantee the success of cooperation between Albania, Macedonia and Croatia. There are many differences between the countries; they have low interaction with one another and no common borders. However the countries had NATO membership as a strong common interest. They also had backing from the U.S. as an external driver. The political elite was interested and supported the initiative. The success of the initiative was confirmed when Montenegro and Bosnia and Herzegovina joined, along with Serbia as an observer member.

There are other ideas for closer regional cooperation that look theoretically more functional (cultural similarities, shared borders, high transactions etc.), however, in practice they get lukewarm responses from Brussels or from the political leadership in the region. The main reason is that the shared interests for closer cooperation are not always clearly identified.

In terms of closer security cooperation, one can highlight three factors that are important: shared interests, strong political support and external push. The external push should principally come from the EU. The EU is already making efforts to streamline the existing regional security cooperation initiatives with its plans for

financial aid to the region. Also it is claimed that the EU has 'transformative' power based on its push for democratic reforms. I have argued elsewhere that greater EU involvement in the region is needed to transform the neighborhood relations in the region.[11] NATO should also be included in the process because, except for Serbia, all of the countries of the region want to join NATO and NATO shares a community of values with the EU.

EU membership provides a strong common interest. All of the countries in the region are already members of the EU or want to join the EU. Even in the case of Kosovo and Serbia, Kosovo has an EU perspective and Serbia does not want to jeopardize its EU perspective due to Kosovo.

The format of this closer cooperation can take place under the South-East European Cooperation Process (SEECP), the forum where political leaders meet. The SEECP has regional ownership and deals with security cooperation. The SEECP's priority up to 2013 is to "enhance regional dialogue and cooperation mechanisms on security and defense issues, including developing of common strategies, planning and coordination processes."[12] This provides the institutionalization of a regional security framework. One would expect higher interests in such endeavors from the countries that are still aspiring to join EU and NATO. The countries that are already EU and NATO members will probably be less interested to venture into closer regional security cooperation.

For the substance of closer security cooperation, the starting point could be a discussion of common security threats followed by a closing joint declaration. Another point is that to initiate acts or activities on the highest level, tackling the issues of post-conflict reconciliation and dealing with the past. SEECP, with EU guidance, could be a good format to tackle such sensitive issues. At a later stage, a Common Security Strategy for Southeast Europe could be forged.

Improving socialization on the highest political level and the de-securitization of neighbors will be outcomes of such closer security cooperation. It is important to keep the public well informed of such developments. One cannot dictate to the political elite what to say, but one can make some of their actions less credible. If there is a regional process of closer security cooperation, nationalistic statements and sentiments will become less credible. Arguably this will change the perception of people and help to de-securitize their neighbors. This will be a step forward in sustaining democratization and community building in the region.

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[11] Dane Taleski, "The European Union Foreign Policy After the Lisbon Treaty: Transformation and Integration of the Western Balkans", *Policy Study*, Skopje 2010.
[12] For more see http://rspcsee.org/en/pages/read/areas-of-cooperation/security-cooperation (accessed 10 August 2012).

WHITHER EU ENLARGEMENT?

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Rumor has it that the ongoing Eurozone crisis has killed enlargement. Not quite right. The EU continues to expand and will soon grow to twenty-eight member states when Croatia joins on July 1, 2013. As Montenegro kicked off its membership negotiations on June 29, 2012, it may also accede in a decade or so. Serbia obtained candidate status back in March, after taking steps towards normalizing relations with Kosovo. Even laggards are moving forward. By the end of this year Bosnia is expected to submit a membership application. Kosovo has embarked on a dialogue with the European Commission that could lead, in due course, to liberalization, and to lifting the present visa regime. Work is underway on a feasibility study, a precondition for signing a full-fledged Stabilization and Association Agreement (SAA). In March, enlargement commissioner Štefan Füle launched a High-Level Accession Dialogue (HLAD), a vehicle to assist authorities in Skopje meeting the benchmarks in key areas such as judicial and public administration reform, ensuring a speedier conduct of future negotiations on the respective chapters. On May 17, 2012, two days after François Hollande was inaugurated as French president, the Commission initiated a "Positive Agenda" meant to reignite the stalled accession talks with Turkey. What is more, Turkey edged a bit closer to signing a readmission agreement with the EU and obtains, in return, a roadmap towards visa liberalization. Rapprochement between Ankara and Paris might lead to the removal of the French veto over five negotiating chapters, originally imposed by Nicolas Sarkozy in 2007.

Such formal steps should not blind one to the grim realities on the ground. The Western Balkans are faring through a period of economic stagnation and hardship compounded by Europe's crisis. The World Bank has recently revised downwards its economic growth projections for the current year to a mere 1.1%.[2] That compares to an average of 2.2% in 2011 and to 5.9% in the years before 2008. Such growth rates are simply too low for economies whose primary objective is catching up with the developed parts of Europe. At least three countries, Serbia, Montenegro and Bosnia, are on the verge of recession with projected growth of 0.4 to 0.1% this year. This slowdown is due in no small part to the current troubles in the Eurozone, which is by far the most important economic partner for the region. The Western Balkans weathered the first wave of the crisis in 2008-9 and switched to modest recovery in 2010-11. But new external shocks threaten to undo the tentative gains made over the past years. It is difficult to restart growth: with the partial exception of Serbia, FDI has not come back, bank credit has contracted dramatically, and remittances are decreasing sharply owing to the impact of the crisis on Southern Europe. Demand for

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[2] World Bank, *South East Europe: Regular Economic Report*, 5 June 2012.

the region's exports in key external markets in Western Europe is very weak. In sum, integration into the EU's economy has made the region susceptible to external shocks. There are few fiscal buffers left to compensate and fill in the gap. The countries of the region have, by and large, been in austerity mode. Two of them, Serbia and Bosnia and Herzegovina, have Standby Agreements with the IMF requiring them to make painful cuts in public budgets. Such unpopular measures exacerbate pre-existing problems, notably the high level of unemployment, especially among the youth.

The EU may still be the only game in town for the Western Balkans, but it seems that the prevailing sentiment is Eurorealism, not Europhilia. On the one hand, even in Serbia there is a 50% majority favoring membership. On the other hand, the EU elicits little enthusiasm and is perceived as inevitable. The recent parliamentary, presidential and local elections in Serbia are a case in point. Voters did not reward Vojislav Koštunica, the only candidate who overtly campaigned against membership. Yet they did not vote in Boris Tadić, Europe's preferred candidate for the presidency, either. The winner was Tomislav Nikolić – a right-wing nationalist with a populist streak who says EU membership is desirable, but focuses on issues such as poverty and high-level corruption. Serbian citizens were fed up with the *status quo* personified by the incumbent Tadić. Croatia's membership referendum last January is also instructive. Only 43% of the voters bothered to turn up at the polls and ratify the country's accession agreement. The EU is the default option, not a source of inspiration and guiding light for complete overhaul of politics, society and the economy as the mainstream of enlargement studies would have us believe.

The somber reality is that political elites in the region pay lip service to EU membership but in reality they are concerned with shoring up their position domestically and with business as usual, which means rent-seeking and clientelism rather than any genuine reform effort. Economic stagnation is therefore accompanied by a political standstill and, in one or two cases, backsliding towards authoritarianism. This is reflected, amongst other things, in the deteriorating scores in international surveys. Examples are plentiful – from the stifling polarization in Albania's politics and society to the sorry state of media freedom in Macedonia. The interregnum ushered in by the Eurocrisis opens ample space for illiberal politics.

The current malaise undercuts the EU's capacity to project influence beyond its frontiers. This is visible in Turkey where the Justice and Development (AK) Party's reformist zeal has dramatically decreased with the blockage of membership talks. Europe's lackluster predicament vindicates a view that the country's better off at an arm's length of what President Abdullah Gül dubbed "a miserable union." And Turkey's example of a dynamic and confident country under a populist leadership, capable of saying "No" to Brussels and Washington, might prove alluring for the Western Balkans. Local leaders have developed the habit of flirting with other non-EU actors in the hope of securing political backing or investment or other economic benefits. Russia and China are turning into welcome investment partners, as are other more faraway islands of prosperity such as Qatar. Nikolić's first visit was to Moscow, not to Brussels as he had promised. In truth, a multi-vector policy of balancing between multiple power centers is neither feasible nor desirable in the Western Balkans. The region is structurally dependent for its welfare and political stability on the EU anchor. Yet the EU's weakness, whether real or perceived, is an open invitation for opportunistic foreign policy in the service of illiberal agendas at home.

But the fundamental challenge faced by the EU, both internally and externally, boils down to the question whether it is (still) an engine for convergence between core Europe and its peripheries. Without passing a judgment on who's right and who's wrong, one of the lessons of the Greek drama is that societies' informal institutions and norms are incredibly resilient. They adapt to, dilute or even cancel modernizing pushes from outside. We should not forget that Greece has been a sort of a model for its neighbors. It is a fellow Balkan country, which has made it from rags to riches, from underdevelopment and marginality into prosperity under the star-studded EU flag. The crisis has brought this success story to an abrupt end, raising fears about the long-term prospects of the whole of South East Europe. Meanwhile, the virulent political fight between Prime Minister Victor Ponta and (still) President Traian Băsescu in Romania has raised even further doubts as to whether enlargement results in democratic consolidation on the EU's fringes.

The Balkans' situation is problematic, to say the least. If the Eurozone collapses this might lead to creeping disintegration of the EU and the complete loss of the external anchor needed to build more decent and wealthier societies espousing the rule of law. If it survives, the price might well be deeper integration, to the point of federalization at the level of EU17 or less, and introversion. Increased solidarity in the newly fortified center will surely be to the detriment of solidarity to peripheries outside the EU. There will be little appetite to bring new members in or share with them limited resources with a view to improving economic and governance standards. For the optimists, multiple-speed Europe is a blessing as it could facilitate enlargement by bringing down cost and lowering barriers. It could well turn out to be a curse in that second-class membership will mean partial integration into the EU without far-reaching change in the economy, political institutions and society. Only time will tell how the crisis will play out but it is more than certain that it complicates the already difficult and ambiguous process that is EU enlargement.

WESTERN BALKANS AND THE EU: GROWING RISKS, UNCERTAIN CHANCES

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The EU enlargement process in Southeast Europe is grinding to a halt, possibly for a decade or more.[1]

This spring, for the first time since the Eurobarometer started measuring public opinion in the EU, it produced evidence that a solid majority of EU citizens is against further enlargement of the EU. Presently, 53% of all EU citizens are against enlargement, 36% support it, 11% refused to comment.[2] With 62% *supporting* the acceptance of new members, Poland is a rare exception in the deeply skeptic club. Only 20% of the German population wants new EU members (the highest rate of negative answers), and a mere 25% of French citizens.

However, in its annual communication on enlargement strategy, the European Commission (EC) praises the accession policy "as one of the EU's most effective foreign policy instruments," which serves the "EU's strategic interest in stability, security and conflict prevention" and guarantees its "growing influence in international affairs." Yet, in recent years, Germany, France and other influential member states reiterated emphatic warnings alluding to the candidates' "insufficient readiness for membership" and the EU's "limited absorption capacity." They suggested that the ability of EU institutions to make decisions and the Union's financial capacities should not be overtaxed. In a period in which national insolvency poses a real threat to several EU countries and the European Union's reputation among the populations of the member states is undoubtedly in decline, saddling itself with additional problem cases would be tantamount to negligence.

New Accession Hurdles

The European Commission has sought to avoid laying itself open to criticism from member states since the admission of Romania and Bulgaria to the EU, which came under fire on the grounds of prematurity. These efforts have been increased since the outbreak of the Eurozone crisis in 2009. During deliberations in the European Council individual countries have taken to articulating additional prerequisites to be fulfilled by accession candidates, thus confounding the European Commission's intention to formulate a common EU stance as regards the membership process. The Commission itself has adopted a depoliticized, quasi-technical enlargement procedure that is legitimized by the fact that it shuns any obligation to either the specific interests of individual EU states or those of the candidates. Nevertheless, the Commission concomitantly seeks to achieve a whole battery of political objectives of strategic importance to the entire Union. Consequently, the prospect of accession is designed to defuse ethno-political tensions in the Western Balkans and to enable the EU to mediate border and status disputes,

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[1] This paper is based on: Ten Years of Solitude Turkey and the Western Balkans Require Practical Integration Measures to Bridge the Hiatus in the European Union Enlargement Process, *Andrea Despot, Dušan Reljić and Günter Seufert,* SWP Comments 16, May 2012

[2] Standard Eurobarometer 77, Public opinion in the EU – Spring 2012, S. T71, Strasbourg.

thus boosting security in a region girdled entirely by EU member states.

The strict objectivity with which the Union's various bodies seek to scrutinize compliance with the accession criteria sits rather uncomfortably with these political goals. It thus comes as no surprise that political considerations play a pivotal role in the closing stages of any round of membership negotiations, be it Bulgaria, Romania or Croatia. The remaining candidates in Southeast Europe are fully cognizant of this latent maneuvering between politically motivated membership deliberations and strict compliance requirements. It reinforces their impression that for them the EU membership bar is being raised ever higher.

The Re-Nationalization of EU Enlargement Policy

The European Commission is finding it increasingly difficult to play an integrative, conciliatory role in light of the growing number of partner states and the consequent heterogeneity of their interests. Today, applicant countries no longer find themselves confronted by European Union institutions alone, but face a chorus of voices, which convey what are, to some extent, contradictory messages. Although the Commission gave a green light for the start of accession negotiations with the Republic of Macedonia in 2009, Athens blocked this with its veto on the grounds of the "name dispute" with Skopje. And although the Commission recommended the awarding of candidate status to Serbia without reservation in October 2011, Germany pushed through detailed requirements to be fulfilled by Belgrade concerning Kosovo almost single-handedly in December 2011. This package caused uneasiness among the majority of EU states, which feared for the continued existence of the pro-European government in Belgrade, believing the deal could threaten stability in the region. In March 2012, Berlin considered the conditions to be met. However, Romania subsequently demanded that Serbia recognize approximately 45,000 Vlachs living in Serbia as Romanians before it could be bestowed the candidate status. Additionally, in the run-up to negotiations, Hungary had called for the restoration of property rights of those members of Serbia's Hungarian minority accused of collaborating with the occupying forces in the Second World War. Bulgaria also took the opportunity to announce that it will formulate conditions relating to the position of the Bulgarian minorities residing in Serbia and the Republic of Macedonia.

Certainly, in June 2012, the Council of the European Union endorsed the Commission's assessment that Montenegro had achieved the necessary degree of compliance with the membership criteria to start accession negotiations. In an attempt to subdue the rising tide of skeptical voices questioning the future of EU enlargement, EC officials often point to the example of this country with 615,000 inhabitants. However, *Foreign Affairs,* the renowned U.S. publication, this spring named Montenegro among the countries captured by organized crime. The devastating judgment reflects an internationally widely spread perception about the state of democracy and rule of law in Montenegro. It remains to be seen if the membership negotiations will alter the situation.

Today, smaller states such as the Republic of Macedonia and Bosnia-Herzegovina are reaching similar conclusions to those of medium-sized power Turkey. Although compliance with the EU's demands remains an indispensable prerequisite for expediting the accession process, it offers only a limited guarantee that this process will be executed in a predictable manner and membership will materialize.

The EU Connection: Risks for the Western Balkans

Rather paradoxically, growing economic interdependence with the EU harbors increased risks for the Western Balkans. Western Balkan states conduct up to two thirds of their foreign trade with the EU. However, the Eurozone crisis has resulted in declining exports to the EU by the majority of Southeast European countries and dwindling investments by the former. The banks are predominantly in Italian, Austrian, Greek and French hands. Many of these are considered at risk and reluctant to grant loans. In several Southeast European countries, bank transfers by migrant laborers boost the formers' gross national products by up to 25%. The economic crisis has caused these transfers to decline, and the first migrants are returning from Greece and Italy.

Simultaneously, economic rationale demands that accession candidates reduce their dependency on a few select EU states such as Germany, Italy, Austria and Greece and consolidate their economic relations with Russia, Turkey, China and other countries. This goes hand in hand with the intensification of political links with players outside the EU. Some Bosnian Muslims and Albanians see an alternative in establishing links with Turkey in the event that prospects of EU membership continue to dissipate. Between 2008 and 2010, Serbia failed to comply with Brussels' request to accede to the EU's stance and measures in relation to international committees in around a third of all cases. The EU's criticism of Russia and China lay at the heart of a considerable number of these episodes.

In light of the anticipated hiatus in the enlargement process, the political costs of such autonomous action appear minor. And who can provide the accession candidates with a guarantee that, after this period has elapsed, economic solidarity mechanisms currently at work within the EU will continue to make an impact, and that the existing model of political equality for its members will still be valid? This is because the future of the EU has never looked as tenuous as it does today. And the gulf between the candidates' considerable political and economic expectations on the one hand and

the grueling, protracted membership process and the unpredictability of its outcome on the other has never been so great.

Fundamental Change With No Guarantee of Membership?

In some cases, the distance to the EU is increased by political demands from Brussels, which call the national identity of aspiring members into question. In several candidate countries, an ethno- or religious-national state identity serves to legitimize the preservation of authoritarian structures, violation of minority rights and stoking of cross-national conflicts. As a result, the EU demands more than the mere rectification of conspicuous deficits, particularly as regards the repression of corruption and establishment of the rule of law, instead working towards the transformation of ethno-religious national paradigms. However, this approach not only threatens the power base of members of the political elite, but also affects the self-image of much of the remaining population.

Several Western states are demanding radical constitutional amendments from Bosnia-Herzegovina, which they believe will increase the state's efficiency and advance the pre-accession process. However, the Serbian and Croatian populations regard these efforts primarily as an attempt to revise the results of the war and transform the currently confederal structure into a unified state in which the Bosniaks, as the largest ethnic group, are elevated to the position of titular nation. Faced with the choice of acceding to these demands despite the uncertain outcome of the entry process or insisting on their political rights as a national group, they do not hesitate to vote against any change in the *status quo*. Negative trends are thus reinforced. Lack of reform precludes convergence with the EU, but a lack of confidence in the outcome of the membership process quenches all zeal for reform.

Serbia has extradited forty-six individuals to the International Criminal Tribunal for the former Yugoslavia (ICTY) in The Hague, including two former presidents. Although national acknowledgement that EU convergence requires cooperation of this nature prevails, a considerable proportion of the population views the tribunal as dispensing mere "victor's justice." After the conclusion of the Hague Chapter, the EU is now concentrating its efforts on demands relating to Kosovo. The twenty-two EU states, which have recognized Kosovo's secession are making Serbia's EU acceptance effectively dependent on the surrender of its international claim to Kosovo. Although five EU partners (Spain, Slovakia, Romania, Greece and Cyprus) have not recognized Kosovo's independence, the stance adopted by the larger member states determines the course of EU relations with Belgrade. This is why less than half the Serbian population voted in favor of EU accession in early 2012. If all subsequent steps in the accession process are made contingent upon conces-

sions in the matter of Kosovo, the pro-European views of many Serbs, currently still in the ascendancy, are likely to enter decline.

The EU sees itself confronted with similar challenges in Kosovo itself. Although the Western powers threw their full weight behind Kosovo's secession in February 2008, thereafter granting the country, to use Brussels jargon, a "European perspective," Pristina had to resign itself to a chronologically unlimited state of "supervised independence." Significant areas of internal sovereignty, such as the judiciary, were assigned to the European Union Rule of Law Mission (EULEX). The constitution, which was drafted with guidance from the USA, prohibits border changes and thus blocks all progress towards the attainment of the central, century-old demand in Albania's national identity construct, namely the unification of all "Albanian territories." In Kosovo, the "self-determination" (Vetëvendosje) party, which was committed to the creation of an Albanian Union, came third in 2010's parliamentary elections. Albania's Red-Black Alliance and the opposition Democratic Party of the Albanians (DPA) in the neighboring Republic of Macedonia are spearheading a movement for the national unification of Albanians beyond the existing borders. Today, it remains unclear which strategy will eventually prevail in the tri-border region of Albania, Kosovo and Northern Macedonia – the EU's integration policy, which advocates border permeability, or the Albanian desire for national unity?

In the Republic of Macedonia, the national conservative wing of the Slavic political elite currently appears more concerned with reinventing Macedonia's identity than satisfying the EU catalogue of accession measures. The right-wing government is investing politically and financially in the construction of what is being dubbed an "antique" Macedonian national identity. An oversized monument to Alexander the Great recently appeared in the center of the capital, and "antique-style" government buildings are being erected. This crude imposition of a new state identity is a direct result of the naming dispute with Greece and exacerbates the ethnic and political schisms in society, as a third of the population – the Albanians – will certainly not recognize themselves as part of an "antique" Macedonia. Spring 2012 saw a renewal of violent altercations between Albanians and Macedonians, which resulted in the deaths of at least seven people and injuries to almost forty by late March.

Its efforts to play a meaningful role in conflict transformation in the region inevitably turn the EU and its key states into a party as far as domestic disputes in the Western Balkans are concerned. The flagging accession process is causing a decline in this »party's« influence and thus in the power of pro-European forces in Western Balkan politics and society.

Sectoral Integration as an Interim Solution

The EU can only remain a weighty political player in Southeast Europe by developing a strategy, which furthers the accession process. This is also the only way to fulfill its obligation to stability in Europe. To make this strategy attractive to the applicant countries, measures are required, which demonstrate the economic and political benefits of EU integration to their governments and populations clearly and convincingly. These measures must facilitate the creation of economic and social prerequisites for the possible future accession. This situation calls for a reinforcement of sectoral integration. Candidates could be treated like EU members in selected policy areas while committing to the adoption of the *acquis communautaire* as regards specific issues. The EU's Danube Strategy, adopted by the European Council in 2011, offers an ideal opportunity for such inclusion of Southeast European countries. However, the Danube Strategy does not rely on specifically assigned financial resources so that it remains to be seen how the strategy will be implemented.

One important example of sectoral integration is the Energy Community. Created in 2006, its full members include the Republic of Moldova and the Ukraine as well as the EU and the Western Balkan states and Armenia, Georgia, Norway and Turkey as observers. 2005 saw the founding of the European Common Aviation Area (ECAA), whose participants include the Western Balkan states, Norway and Iceland. The Commission is currently conducting negotiations with Western Balkan states regarding the foundation of a Transport Community based on the model of the Energy Community. Similar integration mechanisms could be realized in the services sector, in the fight against cross-border criminality and corruption and as regards the use of the EU structural fund, not to mention other sectors. Population decline in the EU makes it advisable to initiate appropriate measures to align the education systems of accession candidates and strive towards the gradual opening of the European labor market for citizens of these states in a timely manner.

THE EFFICACY OF THE EU'S SOFT POWER: SECURITY IN THE WESTERN BALKANS AND TURKEY'S IMPACT

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The failure of EU mechanisms to stabilize the situation in the former Yugoslavia instigated the launch of the European Security and Defense Policy (ESDP)[1] in 1999 to finally enable Europe to respond to the security challenges in its neighborhood. Thirteen years have passed since the signing of the treaty and today the threats and challenges that Europe faces are larger than ever. Still, for years, the absence of a united voice in response to security issues put the EU in a disadvantageous position.

While the EU is currently more capable than ever of managing security challenges emerging on its periphery and is now commonly referred to as a "soft power," it is facing old and new challenges that could limit the effectiveness of the aforementioned soft power role. One such limitation stems from its ponderous bureaucratic apparatus. The complicated nature of the decision-making processes leads to common cases of bureaucratic mismanagement and is also reflected in its initiatives in this area. For instance, in some civilian missions such as the European Police Mission (EUPM) in Bosnia or the EU Rule of Law Mission in Kosovo (EULEX), the EU is represented by up to five different bodies. The efforts to overcome this old challenge resulted in the Lisbon treaty, which provided an institutional framework that should allow the EU to surmount the internal divisions by giving one person – the High Representative (HR) of the European Union the authority to administer the Union's foreign policy.

This institutional reform is expected to further promote the EU's growing role in dealing with the security challenges in its neighborhood as well as more complex and global security concerns, giving the EU the capacity to conduct crisis-management operations all around the world, independent of other powerful actors. Nevertheless, while this old challenge of bureaucratic hurdles seems to be somewhat mitigated with Lisbon, there is a new challenge that introduces new problems as well as opportunities for the Common Foreign and Security Policy (CFSP). The EU is in the middle of a lingering financial and economic crisis and this crisis is also a source of concern for the future of European security policy, which is already pushing the limits of a shoe-string budget and seems likely to fall victim to further budget cuts. This article will focus on this new challenge and evaluate possible ways for the EU to maintain its effectiveness as a soft power and possibly add new dimensions to its foreign policy in its neighborhood.

Sharp economic downturns, low government revenues, widening government deficits and high levels of debt –

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[1] With the entering into force of the Lisbon Treaty, the ESDP became the Common Security and Defense Policy (CSDP).

these economic and financial pressures are obstacles for the further harmonization of member states' security interests and hence restrict the success of the CSDP. Nevertheless, despite all uncertainties and financial difficulties, expectations of civilian and military missions are getting higher, leading to a capabilities-expectations gap. Put differently, countering these problems in an environment of financial crisis introduces new challenges for EU member states.

Now the EU needs to get by with less while doing better than before. One option to manage these new challenges seems to be narrowing the scope of military and civilian operations; however, this option does not reconcile with Europe's claims to be a world power. This makes another option more feasible, which involves cooperation with other actors. Entering into new partnerships with other actors would help the EU to carry on its security policies in an ambitious way while also operating within its budget restrictions. The remainder of this article will first evaluate the current effectiveness of the CSDP conceptualized as a soft power tool and then analyze possible ways to deal with these difficulties in the wake of the EU's financial crisis while also enhancing the EU's role in its neighborhood.

The EU as a Soft Power

The EU is a civilian power. The factors characterizing the EU as a civilian power are trade, cooperation or association agreements, aid, monetary assistance, institutionalized dialogue and the promise of EU membership. As François Duchêne suggests, Europe's power is directly proportionate to its ability to expand stability and security through the application of economic and political force. Europe's economic and political strength is the source of its power outside Europe. It also does not have a security strategy which includes hard power alternatives. It relies solely on economic and diplomatic instruments to influence other actors.

As a result, the EU lacks certain basic military capabilities. Nevertheless, it is hard for the EU to achieve its foreign policy goals with purely civilian means in an international environment in which military institutions are an indispensable part of the game. One of the necessary but not sufficient conditions of a joint foreign position supported by military capabilities is to acquire these capabilities. However, despite the free movement of most goods, services and capital across member states of the EU, defense procurement remains one of the major exemptions from the Single European Market. To lift this exemption would not only create the necessary logistical tools for further cooperation but it would also do so with prudent financial crisis management. European governments can limit the damage of military spending cuts through integrating the EU defense market.

Important steps have been taken towards an internal market for the transfer of defense goods, one of the few remaining fragmented markets in the EU. The 2009 European Commission report on the Transposition Directive was an important paper towards a unified defense market. The Directive simplified the transport of defense related products through one or more member states by an EU-wide license. Previously, a much more bureaucratic process with individual licensing was practiced. These developments could enhance the capabilities of the EU, augment its role as a soft power and possibly create a smart power with optional military capabilities.

Despite the opportunities the aforementioned developments suggest, the financial crisis poses a serious threat to the effectiveness of the EU as a soft power, which already lacks the resources to be an important international actor. As Nye defines it, a soft power's capacity to act depends on the adequacy of its resources. The EU can only be successful if it disposes of adequate resources. Furthermore, systemic changes in world politics pose additional threats to the EU's external policy. It is apparent today that the center of the global balance of power in the world is shifting from the transatlantic to the Asian and the Pacific area and today this trend is clearer than ever. This shift of the global scales signals the shrinking of European power and the overall role and attractiveness of the European Union.

In addition to its shrinking financial resources undermining its role as a soft power and the shift of the center of gravity of world politics, the EU's reluctance to use hard power tools in its foreign policy further limits its options. There is a constant struggle around the world to obtain economic resources and this struggle gets fiercer during times of economic crisis. However, the EU is not a military actor and it is still under the collective defense guarantee of NATO. It would therefore be a mistake to expect an overall success from the EU in all its international relations if it continues leaning on its civilian power and ignores the necessity of hard power tools. It is the duty of European strategists to think about ways to remain competitive in this power struggle and the shifting centers of gravity.

Having mentioned the immediate challenges the CSDP faces, it is time to evaluate its track record thus far. In terms of the overall effectiveness of European civilian missions across the world, the EU has apparent weaknesses. Some of them have been publicly known for years and the others became visible with the Eurozone crisis. Coordination between various EU institutions is weak. The European Commission-European Council duality regarding foreign policy decisions still exists. Complex institutional arrangements have damaging consequences for civilian missions. The EU also proved that it was not capable of making decisions in a crisis situation. The EU needs to be able to move ahead in

response to immediate challenges, so far they have proved unable to do so.

The EU is far from improving the quality of its excessive missions that range from the Western Balkans, in Bosnia-Herzegovina and Kosovo; through Eastern Europe, in Georgia and Moldova; to the Middle East, in the Palestinian territories; up to Africa, in the Democratic Republic of the Congo, the Horn of Africa and Uganda. As a result of budget cutbacks, it is struggling to maintain the *status quo*. The EU needs to make the necessary changes to make EU civilian missions attractive for experienced high-level staff. The EU should also be able to provide the necessary instruments and environment to train these people before they start their duty. It is also important to secure a sufficient number of forces, especially in the first three to six months of a civilian mission as it determines to a great extent the success of a mission.

It should be realized by EU bureaucrats that a template that has proven reasonably effective in a civilian mission, might not be adequate in crisis management situations that the EU faces in other parts of the world. Each case is idiosyncratic and needs to be dealt with from a different perspective. More than that, the bureaucrats in Brussels should leave the responsibility to the civilians on the ground to ensure speed. Plans should also be drafted not in Brussels but in the field. The EU Special Representative (EUSR) is a useful model in this respect.

To conclude this section, the EU has to take concrete steps in order to end the negative course of its CSDP. There are positive developments in this respect, such as the December 2011 report of the Council of the European Union, in which EU Member States stated their willingness to cooperate for the further development of the CSDP concept and necessary capabilities (personnel, assets, intelligence, analytical support). However, it is not an easy task as the individual member states' ideas on the future development of European security are very different. The mutual trust between member states is weakening; Poland, France and Germany took the lead to set the CSDP in motion beginning with the 2010 Weimar Initiative. The EU needs new formulas that range from establishing cross-governmental units to undertake planning for all missions to sending police officers and civilians on military exercises. Having provided a brief overview of the EU as a soft power and the challenges it faces, let us now illustrate its policy in the Balkans in detail.

The CSDP and the Western Balkans

The Western Balkans has always been regarded as a European problem. As a result, the EU has been regarded as the sole international actor in the region. The Western Balkans is often seen as litmus test for the EU's foreign policy. Despite the two decades that have passed since the dissolution of Yugoslavia, there are still tensions in the region such as the recognition of Kosovo.

When the effectiveness of the EU soft power policy in the region is analyzed, one can assert that compared to the 1990s, the EU today performs better with tools for promoting the integration of the Balkans into the Union. The main soft power policy tool leading to this improvement is the EU enlargement strategy, bringing a new vision to the region: As a political and economic tool, the EU membership prospect worked well in some Balkan states. Montenegro is showing by far the best progress, Serbia is doing much better compared to the previous years. Albania is back on track after the serious political incidents of 2009. However, progress has not been the same everywhere in the region and it is important to note that today's EU membership criteria are the toughest since 2004 for the most underdeveloped part of the Balkans. The biggest challenge facing the EU in the Balkans is to encourage local governments to continue the progress and achievements with the same determination despite the bourgeoning demands of the EU.

Despite the improving political picture since the beginning of the 21st century, the overall picture is still pessimistic in the Western Balkans. In the last decade, the region made little or no progress in the fight against organized crime and corruption. Underdevelopment is still a major problem and the nationalistic trends today show no decrease, threatening both regional stability and the path towards EU integration. Unless these problems are addressed in a constructive manner, there is still the risk of conflict in some Balkan states due to hostile relations between ethnic minorities and majorities. Without sufficient political will on the domestic level, international efforts are doomed to fail. Therefore, all the international efforts have to concentrate on efforts to foster the weak civil society if they want to bring the Balkans back on track. Reformist elites in the Western Balkans are facing many political and bureaucratic challenges in their attempts to strengthen democracy and rule of law, and implementing economic reforms. While the immediate prospect of EU membership was sufficient to promote transformation in Central and Eastern Europe, the distant prospect of membership coupled with more serious regional tensions and higher levels of corruption makes the EU as a soft power appear too weak to transform the Balkans in a similar way.

The aim of the EU and other international actors in the Balkans is to achieve a peaceful, democratic and prosperous atmosphere in which the presence of an international security force is no longer needed. As part of its CSDP the European Union conducted several military and civilian missions in the Western Balkans to achieve these goals. Some of these are discussed below.

The first CSDP mission launched by the EU following the UN's International Police Task Force was the EU Police Mission (EUPM) in Bosnia and Herzegovina, which aimed at helping the Bosnians to establish a new, unified police structure, capable of responding to all security threats and challenges at the local, regional and international level. There have been efforts by the EUPM to build the capacity of police agencies in Bosnia and Herzegovina. The EUPM was also helpful in strengthening coordination and cooperation between police and prosecutors in fighting organized crime, corruption and all other forms of crime. But the mission failed to attract the high level staff it needed, and the coordination with the EU Force (EUFOR) and the EU Special Representative (EUSR) has been poor. Until the police mission was terminated in June 2012, the number of international police officers working at EUPM had never been adequate to fulfill its duties. Experts state that the EUPM mission was ill prepared to deal with threats to their own security, and that the EU has struggled to co-ordinate the activities of its civilians with military forces, even with its own peacekeepers. Despite the EU-backed progress on Bosnian police organization, the country is neither ripe for EU membership nor for the end of international missions such as EUFOR Althea. Despite the efforts, there is still a high risk of instability; hence, the EUSR will continue to monitor rule of law. Bosnia is far from starting membership talks, and the Achilles' heel of the country, justice and policing, will require a lot of time and focus during EU accession negotiations.

In neighboring Macedonia, the EU launched the military operation CONCORDIA, with the aim of contributing to a stable and secure environment and allowing the implementation of the August 2001 Ohrid Framework Agreement. Another mission launched by the EU in Macedonia is the EU Police Mission EUPOL PROXIMA, again in line with the objectives of the Ohrid Framework Agreement. After the termination of the mandate of the EU Police Mission PROXIMA on 14 December 2005, the EU police advisory team (EUPAT) followed. EU police has worked in Macedonia to improve the police organization by monitoring, mentoring and advising the country's police, by supporting them to fight organized crime and by promoting European policing standards. The most important problem regarding the EU police mission in Macedonia was the personnel shortfall. Two months after the start of the mission in late 2003, there was a personnel shortfall of 30%.

Finally in Kosovo, the EU launched one of its most high profile and largest CSDP missions EULEX. Its aim is to assist and support the Kosovo authorities in strengthening rule of law, with a specific focus on the judiciary. This mission, however, has never reached its full capacity due to difficulties in finding qualified judges and prosecutors. Moreover, opposition to the independence of Kosovo among five EU states has blocked the mission.

The analysis above illustrates the improved yet inadequate effectiveness of EU policy making in the region. The main issues limiting the role of the EU stem from internal dynamics: disagreement among member states, insufficient financial resources as well as bureaucratic coordination problems. Nevertheless, not all the challenges the EU faces in its policies in the Balkans have roots in its internal dynamics. Some of these challenges, as also mentioned above, relate to the internal dynamics of the target states.

For instance, one problem of the CSDP missions in the Balkans is the issue of civilian recruitment. The EU has no standing civilian force and the recruitment for its missions depends on its member states. Most of the EU states do not fulfill this task properly. Not all the civilians are well trained and the number of civilians sent to the missions by member states is often lower than expected.

Another challenge relates to the issue of public support, which is essential to justify the intervention of any international entity in the internal affairs of a state. The level of public support for the EU is not at its best in the Western Balkans. The euro crisis has played an important role in this trend. The EU's institutional structure and crisis management capabilities have been tested during this crisis and the result has not been a positive signal at all.

The attractiveness of EU membership derives from the model it offers, basically the EU model of cooperation. The EU soft power, which results from this cooperation, has been endangered by the euro crisis and its mismanagement. As a result of a bureaucratic power struggle, the European Union failed to act collectively in the region and therefore fell behind with the formation of European supervision in the region leading to low support for EU integration within the Balkans.

When it comes to the economic interaction between the EU and the Balkans, the picture is good, but somewhat deteriorating because of the financial crisis. For the countries of the Western Balkans, which are now waiting on the doorstep of the EU, the European Union is a conflicted trade partner and the Eurosystem has some apparent weaknesses. As long as the economies of the Western Balkan countries are negatively affected by the crisis, the carrots and sticks policy of a weaker Union seems to be ineffective, and if EU financial recovery is delayed even further and the present self-doubt over the euro crisis continues, the main goals of bringing the Western Balkans into the post-national European mainstream will fail to be reached. This would mean the bankruptcy of the EU's soft power in transforming and democratizing its post-communist and post-conflict neighbors. For the Western Balkan states, nothing but the prospect of EU membership was supposed to offer a remedy to the problems of stability, democracy, and economic revitalization. Yet, it is a matter of constant

debate whether the prospect of eventual EU member- ship is really providing sufficient motivation to the leaders in Western Balkan states particularly at a time when the EU is struggling with its own crisis.

Still, as mentioned, it is worth highlighting that the EU membership prospect worked well in some Balkan states as a political and economic tool. Montenegro is showing by far the best progress, Serbia is doing much better compared to the previous years. Albania is back on track after the serious political incidents of 2009. All the Western Balkan states are part of the Schengen Visa system and Kosovo received a roadmap for visa liberal- ization in June 2012.

The EU is an important power in the Western Balkans but no longer predominant. Its soft power tools and the administration of its civilian missions are under con- stant criticism. Europe is striving to overcome bureau- cratic obstacles, but its civilian operations need a more professional management and more qualified personnel.

The New Meaning of a Turkey-EU Partnership for Western Balkan Security

In the early sections of this article, it has been suggested that while the Lisbon Treaty ameliorated the bureaucrat- ic stalemates posed to the CSDP, the financial crisis unveiled imminent threats to the effectiveness of the soft power status of the EU in the Balkans. This section traces the involvement of Turkey in the region back to the 1990s in an attempt to evaluate its potential for a partnership with the EU to strengthen the effectiveness of its CSDP in the region. In this section it is suggested that the capabilities-expectations gap of the EU necessi- tates an alternative to a weakening EU in the region and promotes an understanding of the cultural and historical ties Turkey has with the region and thereby introduces a potentially new meaning into a Turkey-EU partnership for Balkan Security.

The roots of the Turkish interest in the region can be traced back to the early 1990s, the time at which the Turkish post Cold War strategy was born. The Turkish state, in the 1990s and early 2000s, was unable to im- plement a more active policy in the region due to its lack of necessary economic means. Turkish foreign policy towards the Balkans in the 1990s was based on the necessity to balance the influence of Greece in the region and primarily focused on establishing friendly ties with its neighbors such as Macedonia, Albania, Romania and Bulgaria. Turkey also played a role in the Bosnian war and pursued a multilateral albeit risk- averse strategy under the umbrella of NATO in the post-war episode. Following the war together with its western allies, Turkey was involved in efforts of state building in the republics succeeding former Yugoslavia.

Turkish diplomatic efforts have been primarily focused on the areas with which there are cultural affinities and traditionally friendly relations. The confidence built between the local population and Turkish personnel is the main factor leading to this success. Turkish strategy in the Balkans is three-fold: Firstly, Turkey desires to strengthen its good relations with its closer partners in the region. Secondly, Turkey seeks a rapprochement with those countries with which there used to be prob- lematic relations. Thirdly, Turkey desires to promote regional stability and therefore introduces certain initia- tives and plays the role of a mediator. Turkish foreign policy in the region is primarily shaped by an approach called "state to public diplomacy", which involves the Turkish state in establishing cultural organizations in the region promoting a common cultural heritage such as the Yunus Emre Foundations.

At this point, it is worth mentioning that it is important to avoid fueling the fears of those who see the Turkish comeback as a neo-Ottoman approach, as some hostile voices express. The activism of Turkish diplomacy in the Balkans is deliberately referred to as 'neo- ottomanism. The Turkish presence should not be seen as part of an attempt to revive its influence in the region through Islam, Turkism and shared cultural values, but as an attempt to spread democracy, Europeanization and globalization. Contrary to popular opinion, Turkey is not only active in the Muslim populated areas of the Balkans but also in non-Muslim populated ones. For instance, in the recent years relations between Serbia and Turkey have undergone very substantial changes.

Within the framework of the "state to public diploma- cy" approach, the Turkish government and military staff are working hand in hand with international organiza- tions to bring stability to the people in the region. There are nearly 1,150 Turkish peacekeeping troops deployed in the Balkans. Although the majority of these troops are part of NATO-led missions, for example the Kosovo Force (KFOR), there are also various police missions in which Turkish personnel are taking part. Turkey is a major contributor to EUFOR ALTHEA in Bosnia, for example. Turkish personnel active in the region are mainly concentrated in the Muslim dominated regions of the Balkans. Their efforts at the stabilization of the region have yielded important outcomes.

In the early 2000s, the Balkans became a more stable and developed region as violence was contained and an increasing number of Turkish entrepreneurs started to invest in the region. Thus, in addition to the decade- long strategy the Turkish government had pursued in the region, which was based on defense and diplomacy, the overall improvement of the Turkish economy opened new avenues for an active involvement in the region. As a result, Turkey's ties with the entire region have expanded in scope and its presence in the region shifted from pure diplomacy to diverse functional and societal fields such as trade, investment, infrastructure development, energy, tourism, and popular culture. It is not only Ankara's involvement in attempts to reconcile

Bosniaks and the Serbs, but Turkish investors are building roads, buildings etc. today.

Another dimension of Turkish involvement in the region rests on more horizontal links between respective societies. Commonly referred to as "public to public diplomacy," this new era of relations witnessed a strengthening of ties based on exporting common popular culture reference points to the region. As an example, many Turkish TV series and shows are now popular in Bosnia, Kosovo, Albania, Macedonia, as well as Croatia and Serbia.

The growing influence of Turkey in the region coincides with the 'collapse of the EU's soft power' debates. While Turkey's increasing influence in the region can be seen as a development at the expense of EU influence, it is my argument that it can actually boost the EU's soft power role if it is given a collaborative framework. As mentioned above, a soft power in crisis has limited options, and collaboration with rising powers in the region proves to be the most cost effective and strategic move. Therefore, while the EU has been losing its appeal in the region – be it for internal or external reasons – Turkey brings in fresh blood, becoming a natural ally for the EU. Considering the deep historical ties between the EU and Turkey dating back to the Ankara Treaty of 1963, a joint institutional framework for such collaboration seems something that could be easily achieved.

Turkey has illustrated its capacity to contribute to regional peace and stability in a great deal of ways and hence offers a great deal of alternatives for facilitating the EU's job in the region. A good example of this facilitating role is Turkey's role as a mediator between Serbia and the Bosniak leadership in Sarajevo in 2010, as a part of the attempts to foster stability and reconciliation and the following İstanbul declaration signed by Turkey, Bosnia, and Serbia in Istanbul in April 2010.

RUSSIA'S BALKAN POLICY: MORE EU AND LESS NATO, PLEASE

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It was the number one news topic in the Russian internet; news that were re-tweeted and re-posted all over Russian Internet blogs; news that were celebrated by patriotic bloggers: Some days before leaving Brussels in January 2012, Mr. Dmitry Rogozin, Russian Special Envoy to NATO Headquarters in Brussels, planted two poplars in the yard of his diplomatic mission. "I believe NATO is the best place where we can drop our poplars", he said to journalists, smiling. The words of Mr. Rogozin were very clear for any Russian. Poplar – *Topol* in Russian – is a Russian codename for a nuclear missile RT-2PM2, and *Topol-B* is the nickname for its modification RT-2UTTKh, NATO codename SS-27 Sickle B. To ensure that everyone would understand his joke, the former Russian envoy added, pointing to the trees: "This one is *Topol*, and this one is *Topol-B*".[1]

This off-color joke by Mr. Rogozin could have remained a sign of his bad sense of humor, had he not been transferred from Brussels to Moscow to the position of Vice Prime Minister, with a special focus on "military industry." Mr. Rogozin, a founder and former leader of the nationalistic *Rodina* (Motherland) party, who used to hold speeches at radical nationalist demonstrations in Moscow standing on a stage decorated with posters that illustrated, for example, a giant aggressive Jew burning Russian cities and cutting off the head of a blond Russian boy (the slogan on the poster read "You Russian, help other Russians, or you'll be the next" and "There is nothing more dangerous than Jewish Fascism"), has now successfully fulfilled his mission as a Russian envoy to NATO and started his great career in Moscow.

NATO, a Good Old Enemy

It is no surprise that the Russian view of NATO was formed during the Cold War and is still predominated by old patterns of competition for world dominance. Not only NATO but especially the USA are often seen not even as rivals, but as dangerous enemies in Russia. The Russian view of world politics is highly dominated by fears and prejudices – and the fear of mighty enemies, preparing a strike against Russia, is quite a popular one.

According to the survey "Public Opinion 2011", published by the independent Russian institute *Levada-Center*, 64% of Russians believe that Russia has enemies, and 18% of Russians believe that Russia is "surrounded by enemies on all sides."[2] The analysis of who the enemies of Russia are is even more stunning. Ac-

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[1]   http://www.ria.ru/world/20120114/538933547.html.
[2]   *Obshestvennoe mnenie* 2011, p. 210, http://www.levada.ru/books/obshchestvennoe-mnenie-2011.

cording to the survey, the USA and NATO are Russia's biggest enemies – only the Chechen rebels are considered to be enemies by more Russians.

As 50% of Russians consider the Chechen militants enemies of Russia (which is understandable considering the six years of devastating civil war and over 10,000 losses in the Russian military as well as uncounted losses of civilians), the U.S. and NATO have climbed to the second and third positions of the survey, with 29% and 26% of votes respectively. Four former Soviet republics (Latvia, Lithuania, Estonia and Georgia) also received 26%, sharing the bronze medal of hostility with NATO; and the fourth place was given to anonymous "Islamic fundamentalists" with 21%. "Certain Western political groups" were the fifth most popular enemy, with 21% of votes. In a list of countries, which are hostile to Russia, the United States was named the fourth most hostile country – with 33% of votes (after Georgia, Latvia and Lithuania with 50%, 35% and 34% respectively).

The Russian view of the USA as a country is not better than its view of NATO. According to a social survey by the *Levada-Center*, in January 2012, 76% of all Russians believe the USA is an aggressor that tries to take all the world's countries under its control. 24% of Russians considered it the national interest of Russia to stop NATO enlargement and to set up new military bases as a protection against NATO.[3]

Interestingly, the Russian view on the USA has deteriorated dramatically ever since Vladimir Putin took power. According to the same survey by the *Levada-Center,* 31% of Russians said in January 2001 Russia should increase cooperation with the USA. In January 2012 only 18% of the population shared this view. The views on cooperation with Germany, France, the UK and other countries of Western Europe remained the same: in January 2001, 49% of Russians wanted to increase cooperation with these countries, and in January 2012 it was 48% of Russians. These surveys therefore also show an interesting schizophrenia in public opinion, as they see NATO as a synonym for the USA and do not identify countries like Germany with NATO.

Germany? Not a NATO Country!

It may sound weird, but the Russian perception of NATO itself and the perception of certain NATO members can be very different, especially if we look at the perception of "Old Europe". While NATO is still perceived as a dangerous enemy in Russia, Germany, which still has the second biggest NATO army in Eu-

rope (over 196,000 personnel – after the British Armed Forces with over 227,000 personnel) is considered one of the best friends of Russia. According to a survey by the *Levada-Center* in June 2012, 17% of Russians saw Germany as "the best friend and ally of Russia", which has raised this NATO country to the third place – only behind a pretty undemocratic Kazakhstan (28%) and the dictatorship of Belorussia (34%). The fourth place was given to China with 16% of the vote.[4]

The European Union enjoys a good reputation in Russia too. According to the same study, 60% of Russians said their perception of the EU was "good", another 4% said it was "very good". Only 16% said it was "bad" and 2% said it was "very bad."

The reasons for this strange perception can be different. The EU in Russia is seen first of all as a political and economic union (which is true). European countries stay in the shadow of this perception – and Germany in Russia is seen first of all as an important trade partner and not as NATO member – despite tens of thousands U.S. troops stationed on its territory.

Of course it should be mentioned that it is not the entire EU, which enjoys such a positive reputation. The new NATO members – first of all the Baltic states Latvia, Lithuania and Estonia – and East European states like Poland and Czech Republic are often seen as "unfaithful vassals," who "betrayed" their former suzerain. This is also a quite simple phenomena: within a pretty strong and partly chauvinistic Russian "hierarchy" of countries, the East European countries are not taken seriously as "real Europe," so they are seen first of all as NATO countries (and vassals of the USA) and only then as EU countries.

In other words: everything that can be associated with the USA is perceived as being bad – and NATO has a strong association with the USA. Some "European" things (like criticism of oppression of freedom of speech in Russia for example) can also be seen as a "bad" thing – but normally the "European" things have much better chances to get a neutral reception.

A recent example: after the beginning of the bombardment of Libya, Russian media and politicians started to blame the U.S. for this decision – although it was much more an idea of European France, and U.S. politicians were not happy with another burden on the U.S. military. But the idea, that the good old lame Europe can start a military operation was so uncommon for Russians that it was much easier to look at the Libya operation as if it was a U.S. one.

3   Levada-Center: Vneshnyaya politika Rossii, otnoshenie k drugim stranam, Russian Foreign Policy, Relations with Other Countries, 2/21/2012, http://www.levada.ru/21-02-2012/vneshnyaya-politika-rossii-otnoshenie-k-drugim-stranam.

4   Levada-Center: Otnosheniye Rossiyan k Drugim Stranam (What do Russians Think About Other Countries), 06/14/2012, http://www.levada.ru/14-06-2012/otnoshenie-rossiyan-k-drugim-str anam.

NATO Activities: Not With Russia, At Least Officially

This return of the NATO and USA image to a picture of an enemy and a world aggressor is very interesting if we consider that in the year 2001 the perception of the USA was not that bad – even after the confrontation between NATO and Russia over the conflict in Kosovo. Do not forget: it was in the year 1999 that Russian airborne troops succeeded with their raid on Pristina airport, captured it and took over its control for several days. Every soldier who took part in that raid received a special "Pristina Raid" medal from the Ministry of Defense, which is still the second most important medal awarded by the Russian Ministry of Defense. And even in the year 2001, just two years after the Kosovo confrontation, the number of Russians who believed in cooperation between Russia and the USA (and NATO) was fairly high.

Because of this public opinion it is understandable that NATO is not the most welcome ally in Moscow. That is why the population of a conservative region, Ulyanovsk, traditionally dominated by nationalist and communist parties, was really surprised when at the end of 2011 it was announced that Russian officials would take part in negotiations with NATO over a transit air hub for NATO Afghan flights – in the city of Ulyanovsk. Russia has supported NATO transport flights to Afghanistan from the very beginning of the Afghan campaign in the year 2001, but the creation of a military facility – even a logistical one – was a shock for the conservative Russian province.

Numerous protests took place in Ulyanovsk and Moscow – and the authorities had to promise that the NATO facility would not include military personnel and would serve logistical purposes only. On January 1, 2012 Russian President Vladimir Putin himself visited the 31st airborne brigade located in Ulyanovsk and tried to sweeten the pill, stating that the NATO countries were trying to "run away from Afghanistan" and that Russia "helped them much more to pull their troops out of Afghanistan than to bring them in."[5]

This little example shows how important it is for Russian authorities to keep the image of NATO as an enemy, which they have carefully created over the last years. Russian foreign policy has been blocked by the fears of NATO that the Kremlin has spread across Russia, trying to solve domestic policy problems. In fact, even if a possible cooperation between NATO and Russia does not endanger Russian interests at all, the old taboo that prohibits cooperation with a "deadly enemy" very much limits options for cooperation. Even purchases such as a that of a French *Mistral* helicopter carrier – a ship that Russian industry cannot build – started a wave of protest in Russia, as nationalists ac-

cused Russian authorities of supporting a Western industry instead of the Russian military industry.

The Balkans: A Very Special Story

The Balkans and security in this region is a very specific story for Russia. The Western Balkan region was always a highly important area for Russian interests in Europe and in the Mediterranean. There are many reasons for it: First of all, Russia historically understood itself as an ultimate protector of the Slavic population in the Balkans – and as a protector of Orthodoxy. Already in the 1790s, a Russian fleet under the command of Admiral Fedor Ushakov tried to bring the East Mediterranean under Russian control, defeating Turkish naval forces and protecting the Greek coastline. During the Russian-Turkish war in the years 1877-1878, the core idea of the Russian political and military elite was the protection of Christians against "barbaric Islamic hordes." In the year 1914, the Russian Empire entered World War I with propaganda posters presenting Russia as the supreme protector of its "brothers" – the Slavic population of the Balkans. Although these ideas slightly lost their importance during the Soviet era, the intention of gaining access to the Mediterranean has not weakened.

The Soviet fleet was bottled up in two closed seas: the Black Sea and the Baltic Sea – and a new naval base on the Balkans could have brought the Soviet fleet back to the most important European waters, displaying the Soviet flag all across the Mediterranean. These dreams suffered their first setback in the year 1948, when relations with Yugoslavia deteriorated. In 1952, Greece joined NATO, making the Soviets even unhappier. The dream of getting access to the Mediterranean was still alive though. Even in the late 1950s, Admirals of the Soviet Navy were obsessed with the idea of founding a naval base on the Albanian coast. A submarine brigade was founded in the harbor of Vlorë. The Soviet Union sent vessels and personnel to the new military base. Soviet leader Nikita Khrushchev discussed the idea of installing Soviet missiles in Albania that could hit NATO bases in Italy – and only the collapse of Soviet-Albanian relations a few years later ended this military expansion. The Soviet marches towards the Balkans therefore ended with a flop. Since that time, Soviet military influence on the Balkans has been extremely low.

A new era of conflict in the Balkans started with the collapse of Yugoslavia, and the following Balkan wars revived old Russian hopes and fears. The NATO intervention was understood as a deep insult to Russia. Prime Minister Yevgeny Primakov, on a plane on his way across the Atlantic to the US, ordered his pilot to turn the plane around when he got the news of the U.S. decision to bomb Belgrade. In Moscow hundreds of protesters gathered around the U.S. Embassy and even tried to storm it.

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[5] Putin: Sushchestvovanie transportnogo punkta NATO v Ulyanovske vygodno Rossii, http://www.kommersant.ru/news/1993168.

Until today, relations with Belgrade remain the most important part of Russia's Balkan policy. They are not only economic, although Russia is one of the most important investors in Serbia. With Russian Foreign Direct Investment (FDI) in Serbia reaching USD 2.5 billion in May 2012, Russian companies gained control over many important branches of the Serbian economy. Russian state-owned *Gazprom* acquired 51% of the Serbian oil company NIS for USD 400 million, and the Russian oil company *Lukoil* acquired 79.5 % of the Serbian oil company *Beopetrol* for USD 300 million. The *Gazprom*-controlled company *Jugorosgaz* has constructed and operates the Niš-Leskovac gas pipeline. The Russian metal company UGMK invested USD 35 million in the acquisition and modernization of a pipe production plant in Majdanpek. Russian companies also invest in the Serbian automotive, tourism and banking industries.

Much more important for understanding Russia's role in the region are the political acts of the Russian government, which has tried to stop the process of formal recognition of Kosovo at any cost. Not only the Russian Foreign Ministry, but also the current Russian President Vladimir Vladimirovich Putin and Prime Minister Dmitry Anatolyevich Medvedev have refused to recognize Kosovo and call Kosovo "a fake state." Russian leaders support the most nationalistic groups within the Serbian society and welcomed the election of nationalist president Tomislav Nikolić, granting Belgrade a credit of USD 800 million – a sign of Russian support for the new president, who said he would never have won election if Vladimir Putin had been his competitor.

Moscow Dialog: For Four Eyes Only

This blind support of Serbia in the Kosovo discussion as well as Russia's skeptical position on NATO's role in European security does not mean that Russia will try to block any Western initiative in the Balkans. Even if Russia does not like the idea of NATO enlargement, it will not object to NATO membership for some Balkan countries. Already in April 2011, during his visit to Serbia and Montenegro, Russian Foreign Minister Sergey Viktorovich Lavrov said that Russia "respects the independent right of any state to decide how to organize its security – that means membership in a military alliance as well."[6] These clear words of the Russian Foreign Minister revealed a difference between the Russian perception of the possible NATO membership of close neighbors like Ukraine or Georgia, and the NATO membership of distant Western Balkan countries. Ukrainian NATO membership, for example, would certainly cross a red line for Moscow. Membership of any Balkan country will certainly not.

There is even less potential for conflict in a possible enlargement of the European Union to the Western Balkans. The Balkans are seen as a part of Europe. Russian businessmen gladly buy real estate in Montenegro and Slovenia, considering it an investment in European real estate. That is why a possible enlargement of the EU to the Balkans would be considered a natural continuation of an already existing situation. The second reason why Russia would not object to possible EU enlargement on the Balkans is the Russian skeptical view of the efficiency of the EU. It should be mentioned that Russian authorities traditionally pay much more attention to bilateral relations between countries and are still skeptical towards international institutions like the EU. The current economic and political crisis in Europe just makes this skeptical view stronger. That is why a possible EU enlargement would not be considered a problem at all – in a world in which nobody knows if the EU will still exist in its current form in ten years, nobody in Russia will have serious concerns about EU enlargement to the Balkans.

Finally, the EU enlargement process is seen as an economic and political process: that means growing prices of already purchased real estate, the enlargement of the Schengen area, more economic growth etc. It is not seen as a military enlargement (that would be seen as a threat from the Russian point of view). From the Russian point of view, the security role of the EU in the Balkans is limited to the creation of a legal space and of economic growth – no more. That is why the EU is not seen as a rival to Russia, which is traditionally proud of its army and always concerned about the expansion of foreign military influence.

As Russia still believes in close bilateral relations much more than in relations with international organizations, Russia is ready to deal first of all with certain countries – like Germany or France – but not with international institutions. The policy of nation states seems rational and predictable for Russian politicians. This idea is predominant also in Russian Balkan policy – and Russia would be much happier to discuss Balkan problems with certain states instead of the EU.

Russian Self-Restraint on the Balkans: Summary

Russia's attempts to gain control over the Balkans have a history of several centuries. Since the 1960s, Russian presence in the region has suffered a continuous decline. The Balkan wars of the 1990s gave Russia the last small chance to get involved in Western Balkans politics via military activity (Pristina raid), but this attempt failed.

Russia's decision to restrain itself militarily from the Balkans does not mean that Russia will not try to remain involved politically or economically. Russian support for Serbia is permanent, strong and based on a

6 Sergey Lavrov vkladivaet v Balkany, Kommersant 04/20/2011, http://kommersant.ru/doc/1624814.

pan-Slavic, anti-western and anti-NATO ideal popular in Russia. Russian investments in Serbia are huge.

Although NATO and Western countries (primarily the USA) are still considered dangerous enemies in Russia, it does not mean Russia will not cooperate with them. In some cases the Russian government can easily cooperate with NATO even on Russian territory – the main problem is selling it to the population. Of course this cooperation should not threaten Russian interests or what Russian authorities consider to be Russian interests (see the Syria policy of the Russian Foreign Ministry).

Russian authorities see the Balkans as a heterogeneous region with areas of differing importance. While Serbia is very important for Russia, other countries are less important and can relatively easy improve their relations with Western countries and NATO, without making Russians feel uncomfortable. Even more – Russian authorities can even be happy if the EU faces some additional challenges in the Balkans, trying to integrate new members during economic and political crisis within the EU.

Within its Balkan policy, Russia will try to deal not with the EU as a whole, but with certain countries, like Germany or France – trying to get more profit from contacts to national leaders, not international bureaucrats.

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During the day, arrival of participants

19:30 Reception and Welcome Dinner
Keynote Speech: Ambassador Nikolaus Graf Lambsdorff, Special Envoy for Southeast Europe, Turkey and the EFTA States
Venue: Klostermühle (Refektorium)

Tuesday, October 23, 2012

09:00 – 10:30 **Session I:**

German, EU and U.S. Priorities, Policies and Instruments for a Future Security Architecture in Southeast Europe
Venue: Theaterforum

This meeting will discuss the priorities, policies and instruments of key Euro-Atlantic external actors in Southeast Europe, namely Germany, the EU and the U.S. Discussions will include German, EU and U.S. risk perceptions and their short- and long-term goals in Southeast Europe. Moreover, the question of a common EU position and its streamlining with respect to the U.S. position needs to be addressed. How can the EU's position be further unified? Do the EU and the U.S. share the same goals? How can Germany, the EU and the U.S. achieve their short- and long-term goals? In which fields does cooperation need to be improved? Which issues of security cooperation with Southeast European countries should receive more attention? How can these external actors better support Southeast European countries in developing a future security architecture for their region?

Moderator: Peter Eitel
Introduction: Kurt Bassuener, *The EU and U.S. in Southeast Europe - Divergence, Convergence and Mutual Confusion*

10:30 – 11:00 Coffee Break

11:00 – 12:30	**Session II:**
	Russian and Turkish Priorities, Policies and Instruments for a Future Security Architecture in Southeast Europe
	Venue: Theaterforum

This session will address the priorities, policies and instruments of Turkey and Russia as crucial external actors in Southeast Europe. What are Russia's and Turkey's risk perceptions and their short- and long-term goals? Where do Euroatlantic, Russian and Turkish interests coincide? Are there goals that might collide with German, EU or U.S. interests? Which issues of security cooperation with Southeast European countries should gain more attention from Russia and Turkey? How can Russia and Turkey better support Southeast European countries in developing a future security architecture for their region? What roles do religion and historic ties play?

Moderator:	Solveig Richter
Introductions:	Cengiz Erisen, *Understanding Turkey's Risk Perception Toward Generating Security in Southeast Europe*
	Ali L. Karaosmanoğlu, *Turkey's Objectives in the Balkans with Special Reference to the U.S., Russia, and the EU*
	Sergey Sumlenny, *Russia on the Balkans: Bad Aftertaste of the 1990s*

12:30 – 13:30	Lunch
	Venue: Klostermühle (Refektorium)
14:15	Departure to Berlin
16:30 - 17:30	Meeting with Michael Flügger, Director for Foreign Policy, Security Policy and Global Issues, Federal Chancellery
	Venue: Federal Chancellery
18:00 – 19:00	Meeting with Christian Schmidt, Parliamentary State Secretary to the Federal Minister of Defense
	Venue: Federal Ministry of Defense
19:30 – 22:00	Dinner Reception with Members of the German Parliament at the invitation of Marieluise Beck, Member of the German Parliament, Member of the Committee on Foreign Affairs, Member of the Parliamentary Assembly of the Council of Europe, Member of the European Assembly for Security and Defense/Assembly of the West European Union, Chairwoman of the Parliamentarian Group for Bosnia and Herzegovina, Vice-Chairwoman of the German-Southeast European Parliamentarian Group
	Venue: Abgeordnetenrestaurant, Reichstag building

Wednesday, October 24, 2012

09:00 – 10:30   **Session III:**

Regional Ideas for Increased Cooperation between Southeast European Countries and External Actors to Reach the Common Goal of a Stable Security Architecture for the Region
Venue: Theaterforum

This meeting will address regional perspectives on security roles in Southeast Europe. How do Southeast European countries see the engagement of Germany, the EU, the U.S., Russia and Turkey? Which issues of cooperation should be addressed? Is the engagement of these actors considered constructive or do countries of the region expect more, less or a different kind of engagement? Are the interests and engagement of these external actors considered conflicting or complementary? How can conflicting interests be mitigated and coinciding interests used in the service of creating a stable regional security architecture?

Moderator: Sergei Konoplyov
Introduction: Dane Taleski, *Regional Ideas for Increased Cooperation between Southeast European Countries and External Actors*

10:30 – 11:00   Coffee Break

11:00 – 12:30   **Session IV:**

Streamlining Priorities, Policies and Instruments of External Actors in Southeast Europe
Venue: Theaterforum

The final session will look at cooperation between the different external actors and discuss potential methods by which to streamline efforts. Do EU countries and the U.S. consider the engagements of Russia and Turkey constructive? What do Russia and Turkey think of EU and U.S. policies? How can the different approaches of external actors be aligned with each other as well as with regional security priorities? What should cooperation between all actors look like in order to develop a future security architecture for Southeast Europe?

Moderator: Charles King Mallory IV
Introduction: Murat Önsoy, *Turkey, the European Union and the United States: Is a Trilateral Balkan Strategy Possible?*

12:30 – 13:30   Lunch
Venue: Klostermühle (Refektorium)

13:30 - 14:30   Closing Session
Venue: Theaterforum

Moderator: Charles King Mallory IV

15:15   Departure for cultural program (Orangery Palace in Potsdam, Bornstedt Crown Estate with a guided tour through the brewery of the traditional Bornstedt beer and a rustic regional dinner in the Bornstedt Crown Estate)

Thursday, October 25, 2012

Departure of Participants during the day.

Bassuener, Kurt

Beck, Marieluise

Čamdžić, Elvir

Eitel, Peter

Erdoğan, M. Murat

Erisen, Cengiz

Harxhi, Edith

Ivanović, Oliver

Jackson, David

Janković, Ljiljana

Karaosmanoğlu, Ali L.

Kasapolli, Gëzim

Kehl, Jessica A.

Konoplyov, Sergei

Krliu, Oliver

Lambsdorff, Nikolaus Graf

Nietan, Dietmar

Nikitin, Alexander

Önsoy, Murat

Pavlović, Filip

Reichel, Ernst

Richter, Solveig

Samofalov, Konstantin

Selimi, Petrit

Sumlenny, Sergej

Svilanović, Goran

Taleski, Dane

Tolksdorf, Helge

Vlahutin, Romana

Vujić, Zoran

Walker, Laurie

Aspen Institute Germany

Mallory IV, Charles King
Executive Director

Wittmann, Klaus
Senior Fellow, Brigadier General (ret.)

Esch, Valeska
Senior Program Officer

Kabus, Juliane
Program Assistant

von Mentzingen, Beatrix
Intern

PARTICIPANT BIOGRAPHIES

Kurt Bassuener

Kurt Bassuener is an independent policy analyst living in Sarajevo, Bosnia and Herzegovina. He is co-founder and Senior Associate of the Democratization Policy Council a global initiative for accountability in democracy promotion. His opinion pieces and analyses on a variety of topics (Bosnia, war crimes accountability, promoting intervention in Syria, etc.) have been published in *The Irish Times*, *Washington Post, International Herald Tribune*, *Wall Street Journal Europe, Christian Science Monitor, Jane's Defense Weekly*, and the *European Voice.* He has testified before the Oireachtas' (Irish Houses of Parliament) Joint Committee on European Affairs (2008, 2010) and the U.S. Congress' joint Helsinki Commission (2011). Previous positions include: Strategy Analyst at the Office of the High Representative (2005-2006); Political and Campaign Analyst for the OSCE-ODIHR's Election Observation Mission in Ukraine in 2004-2005; co-founding/co-directing the Democratization Policy Institute (2000-2002); acting Assistant Director for Government Affairs at the International Rescue Committee (2001); Program Officer, U.S. Institute of Peace Balkans Initiative (2000-2001); Associate Director of the Balkan Action Council (1998-2000); and Policy Analyst at the Balkan Institute (1997-1998). He received his MA in European Studies from the Central European University in Prague (1994); his thesis advocated a standing all-volunteer UN peacekeeping division under the Security Council. He earned his BA in International Relations from American University's School of International Service (1991).

Marieluise Beck

Marieluise Beck (born in 1952) studied German, history and sociology and subsequently worked as a secondary school teacher. In 1983 she was elected to the German Bundestag. In this first electoral term in which the Greens were represented in Parliament, she was one of the spokespersons of the parliamentary group. Except for a legislative term from 1991 to 1994 as a Member of the Parliament of the Free Hanseatic City of Bremen she has been a Member of the German Bundestag ever since. Starting in 1998, Marieluise Beck was appointed as the 'Federal Government Commissioner for Foreigners' Issues'. She continued this work from 2002 until 2005 – now with the title 'Federal Government Commissioner for Migration, Refugees and Integration' – and additionally assumed the office of a Parliamentary State Secretary in the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth. In 2005 Marieluise Beck became a member of the Committee on Foreign Affairs of the German Bundestag. As the spokesperson on Eastern European affairs for the green parliamentary group Ms. Beck has been focusing on matters concerning Russia, Belarus and the Western Balkans. She serves as the chairperson of the German-Bosnian Parliamentary Friendship Group of the German Bundestag and is a Member of the Parliamentary Assemblies of the Council of Europe and the OSCE. Since the early 1990s, Marieluise Beck has been actively concerned with human rights issues. She helped to launch the initiative "Bridge of Hope", an aid agency for Bosnia and Herzegovina, which was arranged for innumerable consignments of aid to be taken to war-torn areas. For this work Marieluise Beck was awarded the Order of Merit of the Federal Republic of Germany and was made an honorary citizen of the Bosnian municipality of Lukavac.

Elvir Čamdžić

Elvir Čamdžić currently serves as the foreign policy adviser to the Chairman of the Presidency of Bosnia and Herzegovina Bakir Izetbegovic. He previously served as foreign policy advisor to the Member of the Presidency of Bosnia and Herzegovina Haris Silajdzic from 2006 to 2010.

Peter Eitel

Peter Eitel is Chief Operating Officer (COO) of the German Institute for Democracy, Development and Security (DIDES) an advisory think tank with offices in Berlin, Brussels, Hamburg and Munich. His work focuses on the strategic and operational transformation of the security sector. Mr. Eitel is a Fellow of the Institute of Strategic Future Analyses of the Carl-Friedrich-von Weizsäcker Society. He holds a BA in History and Political Science and an MSc in Global Security from Cranfield University/Defence Academy of the United Kingdom. He lived and worked in Central America and Africa, where he developed his interest in non-traditional security threats.

M. Murat Erdoğan

Assoc. Prof. Dr. M. Murat Erdoğan is Director of the Hacettepe University Migration and Politics Research Centre, Vice Director of the European Union Research Center and Advisor to the Rector of Hacettepe University. He received his undergraduate degree from Ankara University, Faculty of Political Sciences, Department of Politics and Public Administration, and holds an M.A. in Political Science from the Ankara University Institute of Social Sciences. Mr. Erdoğan received his PhD degree from Ankara University and Bonn University in political science with the dissertation "Turkey-EU Relationship after the Cold War: 1990-2005". He was scholar of the Konrad Adenauer Foundation (1994-1998) and a "Junior Fellow" at the Center for European Integration at the University of Bonn in Germany (1998-2000). Later he worked for the Press Department of the Turkish Embassy in Berlin (2001-2003). In 2004 he became a Lecturer at Hacettepe University, Department of Political Science and Public Administration, Faculty of Economics and Administrative Sciences in Ankara-Turkey. Since 2010 he has been Associate Professor. His fields of interest are the EU-Turkey Relationship, Turkish Migrants in Europe, Turkish Domestic and Foreign Policy, EU, Europeanization, Germany, Migration, Islamophobia, European Public Opinion and Political Cartoons. He has published four books and several articles. His latest books are "*Turks Abroad: Migration and Integration in its 50th Year*" (Ed.) and "*50 Years 50 Cartoons: Turks in the German Cartoons*".

Cengiz Erisen

Cengiz Erisen is an Assistant Professor of Political Science at TOBB University of Economics and Technology. He received his PhD degree from the Department of Political Science at Stony Brook University in 2009. His research interests include comparative political behavior, political psychology, foreign policy analysis, and quantitative research methods. His current research involves the role of emotions in public opinion toward foreign policy and the determinants of the EU public's ambivalent attitudes toward Turkish membership in the EU. He has recently guest edited two special issues on Turkish political psychology in the journals *Perceptions* and *Turkish Studies*. In addition to several book chapters, his work has appeared or is forthcoming in *Political Psychology*, *Journal of International Relations and Development, American Politics Research*, *Turkish Studies* and *Perceptions*.

Edith Harxhi

Edith Harxhi is currently Deputy Minister of Foreign Affairs of the Republic of Albania. She covers multilateral diplomacy, the Kosovo issue and regional affairs, international treaties, the relations of the Republic of Albania and EU integration, and management of the Albanian diplomatic corps. Before her appointment as Deputy Minister of Foreign Affairs, Ms. Harxhi worked as a diplomat at the Ministry of Foreign Affairs of Albania before assisting the Deputy Special Representative of the Secretary General (Civil Administration) UNMIK in several positions. She covered police and justice, minorities and social welfare. She established the Office for Public Safety and prepared the strategy for the transfer of competencies in the security sector on behalf of the Kosovo Government. On behalf of the Deputy Special Representative of the UN Secretary General she supervised the Office of Gender Affairs at the DSRSG's Office and drafted the Gender Equality Law. Ms. Harxhi received a Masters Degree with Honors in Political Science and International Relations from the University of Edinburgh, United Kingdom. She has been actively involved in the academic debate on the question of Kosovo and the Balkan region for many years. She is currently working on the completion of her PhD thesis entitled: *"The Ethnic Conflicts and the Albanian Disorder in the Balkans"*. Ms. Harxhi is fluent in Albanian, English, Turkish and Italian and has a mid-level understanding of French.

Oliver Ivanović

Mr. Ivanović served as State Secretary in the Ministry for Kosovo and Metohija in the previous government of the Republic of Serbia, from 2008 through the end of July 2012. In addition to his major political functions, Mr. Ivanović was a Member of the Kosovo Parliament, elected in Kosovo elections of November 2001. He was elected Member of the Presidency of the Kosovo Parliament and Member of the Parliamentary Commission for Foreign Cooperation. Mr. Ivanović was a member of the Provisional Commission for Kosovo established by the Serbian Parliament following the elections in October 2000. Since 2001, Mr. Ivanović has been a member of the Coordination Center for Kosovo and Metohija, established by the Government of the Republic of Serbia and the State Union of Serbia and Montenegro. He was a member of the Social Democratic Party (SDP) and its Vice President. Currently Mr. Ivanović is President of the Executive Board of the Serb National Council of Northern Kosovo. Mr. Ivanovic is civil engineer, holds a BA in economy and speaks several languages.

David Jackson

David Jackson is currently a visiting scholar at the Social Science Research Center Berlin and a PhD candidate at the Berlin Graduate School for Transnational Studies. His dissertation, for which he received a PhD scholarship from the Fritz Thyssen Stiftung, deals with the topic of „The emergence of hybrid governance structures in Kosovo under conditions of international state-building". Mr. Jackson's further research interests include *inter alia* EU external relations, governance in areas of limited statehood, and ethnic and race relations. He has worked at the UK Permanent Mission in Geneva as a Human Rights Support Officer, for the World Health Organization as an external analyst, and at the Cabinet Office of the British Prime Minister in London. Mr. Jackson holds a BA in Modern History and Politics from the University of Oxford and a Master of Public Policy from the Hertie School of Governance.

Ljiljana Janković

Ljiljana Janković is currently Director for NATO at the Ministry of Foreign Affairs and European Integration of Montenegro. Previously she served at the Mission of Montenegro to NATO in Brussels, the Bilateral Department of the Ministry of Foreign Affairs as a Counselor and at the Office of the National Coordinator for Combating Trafficking in Human Beings of Montenegro as legal advisor. Ms. Janković holds a Master of Arts in International Politics from CERIS Brussels. She has taken part in several courses for young diplomats. She is fluent in English, has a good knowledge of French and a basic understanding of Chinese. Ms. Janković also works as a child rights trainer at the NGO «Oasis».

Ali L. Karaosmanoğlu

Prof. Dr. Ali L. Karaosmanoğlu is Professor Emeritus at the Department of International Relations of Bilkent University. He is Director of the Foreign Policy and Peace Research Center of the Ihsan Dogramaci Foundation. He obtained a Doctoral Degree in International Law from the University of Lausanne. His doctoral dissertation on *"Les actions militaires coercitives et non coercitives des Nations Unies"* was awarded the prize of the "*Fondation Fleuret*." He taught at the Middle East Technical University and Boğazici University. He has been a Fellow at the Hague Academy of International Law, a Fulbright Fellow, and a NATO Fellow. He was a Visiting Scholar at Stanford and Princeton Universities. He has been member of Turkish Delegations to various intergovernmental conferences. He is a member of the European Academy of Sciences and Arts and a Board member of the Turkish Foreign Policy Institute. He is the author and editor of several books. He has published on foreign policy, security and strategic studies, peacekeeping operations, and civil-military relations. His articles have appeared in such journals as *Foreign Affairs, Europa Archiv, Politique Etrangère, Security Dialogue, International Defense Review, Journal of International Affairs, Turkish Studies, and International Relations (Uluslararası İlişkiler)*.

Gëzim Kasapolli

Gëzim Kasapolli was appointed Deputy Minister of European Integration on May 23, 2011. In his career, he worked with international organizations present in Kosovo including the Hague Tribunal, UNMIK and the EU. He was a personal advisor to the Prime Minister at the time of the report made by the Special Envoy of the UN, Kai Eide, whose report resulted in beginning the negotiations for Kosovo's independence. He was a member of the advisors' group of the government of Kosovo responsible for liaison to the working group of the team of Mr. Kai Eide. Mr. Kasapolli graduated from the Master's programme in Business Administration at the Technical University of Vienna in 2005 and he worked as an Executive Director at the University for Business and Technology located in Prishtina. He has been a member of Democratic Party of Kosovo since 2010. He lives in Prishtina with his wife Bora and their daughters Era and Vesa.

Jessica Amber Kehl

Jessica Amber Kehl serves as the Director for Southeast Europe and Regional Affairs in the Office of the Secretary of Defense (OSD), where she is responsible for formulating, coordinating and overseeing the implementation of U.S. defense policy in the Balkans as well as a range of conventional arms control issues in Europe and Eurasia, to include the Conventional Forces in Europe Treaty, the Dayton Article IV and V agreements, Vienna Document and the Open Skies Treaty. From August 2007 until January 2009, Ms. Kehl was posted to the United Kingdom Ministry of Defence, where she was embedded on the staff of the Policy and Commitments Directorate and managed UK bilateral defense relations with Japan and South Korea. Ms. Kehl has served as a Foreign Affairs Specialist in OSD since 1999, completing assignments in the NATO/ISAF Operations Cell (March-August 2007), Eurasia Policy Office (2004-2007), Office of Missile Defense Policy (2001-2004) and the Cooperative Threat Reduction Policy Office (1999-2001). Ms. Kehl holds an MS in Foreign Policy and International Security, awarded with Distinction from Georgetown University's Edmund A. Walsh School of Foreign Service and she graduated from Smith College with a BA (*magna cum laude*) in Government and International Relations. She joined the Department as a Presidential Management Fellow in 1997.

Sergei Konoplyov

Sergei Konoplyov is the Director of the Harvard Black Sea Security Program and U.S.-Russia Security Program. He served as Acting Director of the Eurasia Foundation on Ukraine, Belarus and Moldova in 1994-1996. A former officer of the Soviet Armed Forces, Sergei has served in several military missions in Africa, Latin America and Central Asia. A graduate of the Moscow Military Institute, he also holds a degree from Kyrgyz University in Journalism (*cum laude*) and a Master degree in Public Administration from the Kennedy School of Government. Since 1998 he has been a member of the International Institute of Strategic Studies (London). He was also a NATO Fellow in 2000 and received his PhD at the Kiev Institute for International Relations. Since 2000, Sergei has served as Assistant to the Head of the National Security Committee of the Ukrainian Parliament. Sergei Konoplyov has received awards from Ministers of Defense of Armenia, Azerbaijan, Bulgaria, Georgia, Moldova, Romania and Ukraine.

Oliver Krliu

Oliver Krliu is a Director for Political Security Cooperation at the Ministry of Foreign Affairs of the Republic of Macedonia. He is a career member of the Macedonian Foreign Service who has previously had various diplomatic assignments in the Ministry of Foreign Affairs, such as: Head of the Regional Security Cooperation Department, Head of North and South America Department, Director for Political Security Cooperation and Multilateral Affairs, Chief of Cabinet of the Minister, etc. Mr. Krliu held two diplomatic postings as Deputy Chief of Mission at the Macedonian Embassy in Washington, D.C. He is a graduate of the Law Faculty at the "Sts. Cyril and Methodius" University in Skopje and has participated in numerous professional advancement programs, including: the Netherlands Institute of International Relations Course, the European Security Studies program at the G.C. Marshall European Center and the Kokkalis Leadership Executive Program at Harvard University.

Nikolaus Graf Lambsdorff

Ambassador Nikolaus Graf Lambsdorff is currently Special Envoy for Southeast Europe, Turkey and the EFTA-States at the German Federal Foreign Office. Before assuming his position he served as German Ambassador to the Republic of Moldova. Previously he held *inter alia* the position of Head of Division for Public Diplomacy in Europe, North America, Former Soviet Union; Deputy Special Representative and Head of the EU Pillar of the UN Mission in Kosovo (UNMIK) and Deputy Section Head for European Security and Defence Policy and WEU in the Political Directorate-General. Ambassador Graf Lambsdorff holds Masters degrees in Political Science and Economics, is married and has one son.

Jonathan Moore

Jonathan Moore has been the U.S. Deputy Chief of Mission in Bosnia and Herzegovina since August 2009, and has been assigned to be the Director of the U.S. State Department's Office of South Central European Affairs as of August 2012. Mr. Moore became a U.S. diplomat in 1990 and was assigned to the U.S. Embassy in Belgrade in 1991. He was a desk officer for the former Yugoslavia in the U.S. Department of State from 1993 to 1995, and was the Political/Economic Section Chief of the U.S. Embassy in Vilnius, Lithuania from 1995 to 1999. He also worked as the Executive Assistant to the Head of the OSCE Mission in Bosnia and Herzegovina for the 1996 elections. After an assignment in the Policy Office of Speaker of the House Dennis Hastert, Mr. Moore was the Deputy Director of the U.S. Department of State's Office of Russian Affairs from 2000 until 2002, serving as that office's Acting Director in early 2002. He worked as U.S. Deputy Chief of Mission in Windhoek, Namibia from 2002 to 2005. Mr. Moore was a National Security Affairs Fellow at Stanford University's Hoover Institution prior to serving as U.S. Deputy Chief of Mission in Minsk, Belarus. He was the U.S. *Chargé d'Affaires a.i.* in Belarus from March 2008 until July 2009. Mr. Moore received a BA in International Studies from The American University, and an MA in Russian and East European Studies from George Washington University. He has received a Distinguished Honor Award and several Superior and Meritorious Honor Awards from the U.S. Department of State, two language proficiency awards from the American Foreign Service Association, and has been decorated with the Lithuanian Orders of Merit and Grand Duke Gediminas. Mr. Moore speaks Bosnian/Croatian/Serbian, Lithuanian, Russian, German, and Danish.

Alexander I. Nikitin

Prof. Dr. Alexander I. Nikitin is currently a Professor at the Political Sciences Department at the Moscow State Institute of International Relations (MGIMO-University) as well as Director of the MGIMO Center for Euro-Atlantic Security and Director of the Center for Political and International Studies. Prof. Nikitin is a distinguished academic. He is the author of four monographs, chief editor and principal author of eleven collective monographs and author of more than one hundred articles and chapters in academic periodicals, journals and books published in Russian, English, French, Korean, Punjabi, Spanish and German. Prof. Nikitin received an international research fellowship at the NATO Defense College and gave guest lecture courses at the University of Iowa (USA), the NATO Defense College (Rome) and the Geneva Center for Security Policy (GCSP). He is a member of several scientific associations including the Russian Academy of Military Sciences and the Russian Political Science Association, whose elected President he was from 2004 to 2008. He is Vice-Chairman of the Russian Pugwash Committee of Scientists for International Security and Disarmament, and an elected member of the International Pugwash Council. Prof. Nikitin is a member of the Scientific-Expert Council of the Collective Security Treaty Organization. Since 2005, he has been an official external expert for the United Nations, nominated by the UN High Commissioner on Human Rights. Prof. Nikitin has organized more than fifty international scientific and academic conferences and workshops, in Russia as well as abroad. He served as coordinator of several multi-national research projects. Prof. Nikitin holds a PhD in History of International Relations and a Doctor of Sciences in International Relations.

Murat Önsoy

Murat Önsoy (born 1982) is an Assistant Professor of International Relations at Hacettepe University/Ankara and a part time instructor at the Turkish Military Academy. He earned his PhD from the Institute for Contemporary Middle Eastern Studies, University of Erlangen-Nurnberg (2009). During his PhD studies, he spent one year as a visiting scholar at Georgetown University department of history. He holds a BA in Political Science and an MA in International Relations from Bilkent University. His primary research interests are history of international relations and contemporary politics of the Balkans and Turkey. His secondary research interests are theories of democratization and nationalism. He participated in several Balkan security-related forums and projects and organized a series of ambassador seminars with the participation of the ambassadors of the Balkan states in Ankara. He has also organized a high-level international congress in İstanbul (October 2012) entitled 'From War to Eternal Peace on the 100th Anniversary of the Balkan Wars: Good Neighbourhood Relations in the Balkans'. He is contributor to the textbook 'Contemporary Balkan Politics'—the first textbook on Balkan politics written in Turkish to be taught in Universities. He has written articles in Turkish, German and English and has published his PhD thesis titled '*World War Two Allied Economic Warfare and the Case of Turkish Chrome Sales*'. Mr. Önsoy is a member of 'International Studies Association,' serves as a referee for several international journals and also serves on the editorial board of Journal of Balkan Research Center. He is currently lecturing in Balkan politics and history classes on BA and MA level. Mr. Önsoy is fluent in English and German.

Filip Pavlović

Filip Pavlović was one of the student leaders at the Faculty of Philosophy in Belgrade during the student protest in Belgrade between November 1996 and February 1997. Since February 1997 he has been professionally involved in different inter-ethnic dialogue initiatives (mainly Albanian-Serb dialogue); attended and organized numerous international, regional and local conferences, trainings and seminars on various topics such as: SEE regional cooperation and Stability Pact, Serbia–Kosovo Civil Forum, Confidence Building Measures, Conflict Transformation, New Concepts of Security. Articles and research papers produced from 1997 until today were published in different books and publications such as: Mother Jones (USA), Juventas (Montenegro), Album (Bosnia), Searching for Peace (book, NL), and many more. As a founder of the NGO Fractal (www.ngofractal.org) that emerged as a grass-root, professional initiative of young activists, he was directly involved and responsible in all phases of the organization's development. The NGO Fractal has grown since 2001 and today it demonstrates the potential of grass-roots initiatives to change patterns across society as well as that creativity and collaboration are tremendous forces of change. In the NGO Fractal, Mr. Pavlović has been personally and professionally inspired to dedicate time and effort to develop leadership qualities in young people and support them in being active agents of change, making a positive impact through community activism and service. As an activist and social entrepreneur Mr. Pavlović is still deeply committed to research and development of innovative programs, and approaches to transform social, and community problems, and challenges into development, and democratization opportunities.

Ernst Reichel

Dr. Ernst Reichel is currently Head of Division 209/Western Balkans at the Federal Foreign Office in Berlin. Prior to this position he was German Ambassador to Kosovo. A career diplomat, Dr. Reichel joined the German Foreign Service in 1988, serving *inter alia* in New York at the German mission to the United Nations, as Deputy Head of the Division for EU-Policy and as Deputy Chief of Cabinet for the NATO Secretary General. Most recently, Dr. Reichel served as Head of Division for Russia, Ukraine, Belarus, Moldavia and Eastern Partnership. Before entering the Foreign Service, Dr. Reichel studied law and received a doctoral degree from the University of Bonn. He was born in Lagos, Nigeria, is married and has two daughters.

Solveig Richter

Dr. Solveig Richter works as a senior research associate at the German Institute for International and Security Affairs/Stiftung Wissenschaft und Politik Berlin (SWP), in the research division EU External Relations. She primarily concentrates on EU enlargement policy and political transition in the countries of the Western Balkans, EU democracy promotion policies and on the European security architecture. Solveig Richter studied political science, history and science of communication in Dresden and Strasbourg. She conducted research for her PhD at the University of Technology Dresden and the Institute for Peace Research and Security Policy in Hamburg (IFSH). In her dissertation, she examined the effectiveness of the OSCE's democratization policy in Croatia, Bosnia and Herzegovina and Serbia. Solveig Richter also spent some months at the OSCE Mission to Croatia in Zagreb as Carlo-Schmid-Fellow of the German Academic Exchange Service. During her professional career, she also worked as lecturer, journalist and political consultant.

Konstantin Samofalov

Konstantin Samofalov is an elected member of the Serbian Parliament. Mr. Samofalov joined the Democratic Party (DS) in 2000 and was the president of the DS youth Belgrade from 2000 to 2007. From 2004 to 2008 he was member of the city assembly of Belgrade. He was elected to the Serbian parliament in 2007, 2008, and 2012. In the parliament he is a member of the Defense and Internal Affairs Committee and deputy member of the Foreign Affairs Committee. He is also a member of the Serbian delegation to the NATO Parliamentary Assembly (PA) (Head of Serbian delegation at 2010 Riga and 2012 Tallin NATO PA sessions), and of the Serbian delegation to the EU CSDP Parliamentary Conference. Mr. Samofalov graduated from the Faculty of Law of the University of Belgrade in 2007 in international law. He completed the senior executive seminar "Countering Narcotics Trafficking" at the George C. Marshall Center for European Security Studies in Garmisch-Partenkirchen, Germany. He also took part in the past two sessions of the Halifax International Security Forum in Halifax, Canada. After serving in the Serbian armed forces as a member of the first generation of volunteers following the decision on professionalization, he graduated in the first cohort of students in Advanced Defense and Security Studies at the Military Academy (University of Defense) in July 2012. He is a board member of the Parliamentary Forum on small arms and light weapons, and also a member of European leadership network, a London-based think-tank. Mr. Samofalov is fluent in English and uses French.

Petrit Selimi

Petrit Selimi was appointed Deputy Minister of Foreign Affairs of Republic of Kosovo in June 2011. Before joining the MFA, Selimi was a candidate for an MP seat for the PDK during the 2010 National Elections. Prior to this, he worked from 2006 to 2010 as a private public relations and political risk consultant, providing advice for companies and institutions such as IPKO, Telenor ASA, the Norwegian Ministry of Foreign Affairs, RWE AG, Raiffeisen Investment, Lazard, etc. From 2005-2006 Selimi was one of the founders and the first Executive Director of the *Express*, an independent daily published in Prishtina. He joined *Express* after working as communications and media advisor initially for IPKO.org (2000-2003) and then for the OSCE Mission in Kosovo (2003-2004). Selimi was active as a children's and youth rights activist, being one of the founders of Postpessimists, the first network of youth NGO's in the former Yugoslavia (1992-1998). They won a UN Peace and Tolerance Award. He has in recent years served on the Board of Directors of the Soros Foundation in Kosovo, and Martti Ahtisaari's Balkan Children and Youth Foundation. He is fluent in Albanian, English, Norwegian and Serbian. Selimi holds a BA in Social Anthropology from University of Oslo, and is graduating as MSc in Media and Communications from the London School of Economics, as a recipient of a Chevening Scholarship. (Source: Ministry of Foreign Affairs of Kosovo)

Sergej Sumlenny

Sergej Sumlenny is Germany correspondent for the leading Russian economic magazine "*Expert*". He worked as producer at the Moscow bureau of the German TV and radio station ARD, and as editor-in-chief at the daily news show "World Business" at Russian economic broadcaster RBC-TV. In 2006, as Germany correspondent of "Expert", Sumlenny has won a German Peter-Boenisch-Prize. Sumlenny is the author of the book "*Nemetskaya sistema*" (The German system) − a study about the inner structure of the German society. In 2010, the book became a bestseller among Russian non-fiction books. Born in 1980, Sergej Sumlenny studied at Moscow Lomonosov University and holds a PhD degree in political sciences from the Russian Academy of Sciences. He lives in Berlin with his wife and two children.

Goran Svilanović

Serbian politician Goran Svilanović was appointed coordinator of OSCE Economic and Environmental Activities on December 1, 2008. With a PhD from the Union University in Belgrade, Masters and undergraduate law degrees from the University of Belgrade, Mr. Svilanović has also studied at the Institute for Human Rights in Strasbourg, France, the University of Saarland in Germany, and the European University Center for Peace Studies in Staadtschlaining, Austria. Involved in politics since 1993, Mr. Svilanović became president (1999) of the political party Civic Alliance of Serbia. From 2000 to 2004, he was Minister of Foreign Affairs of the Federal Republic of Yugoslavia, which was renamed to Serbia and Montenegro in 2003. Between 2000 and 2006, Mr. Svilanović was a Member of Parliament. In November 2004, he was selected as Chairman of Working Table I (democratization and human rights) of the Stability Pact for Southeastern Europe, where he served until the end of 2007. He was member of the Senior Review Group of the Stability Pact (SP), which proposed the transformation of the SP into the Regional Co-operation Center (RCC).

Dane Taleski

Dane is the Executive Director of the Institute for Social Democracy "Progress", a left oriented think-tank, in Macedonia. He is also a member of the executive board of the Social Democratic Union of Macedonia. He is a doctoral candidate at the Political Science Department of the Central European University (CEU) in Budapest. In general, his interests include post-conflict democratization, regional cooperation in the Western Balkans and EU integration. He was active in public and political life in Macedonia as a political analyst and political consultant, but also as a leader of civic initiatives that supported the development of democracy and good governance in Macedonia. Dane holds a Master of European Studies (MES) from the University in Bonn. He worked for international organizations and think-tanks (Stiftung Wissenschaft und Politik, International Crisis Group), and think tanks in Macedonia as well.

Helge Tolksdorf

Helge Tolksdorf is currently Head of the Division for EU Enlargement, Southeastern Europe and Turkey in the Directorate-General for European Policy of the German Federal Ministry of Economics. Before assuming this position in 2003, he served *inter alia* as Deputy Head of the Division for the Asia-Pacific Region and Deputy Head of the Division for General issues relating to Eastern Europe, both in the directorate-general for external economic policy of the Federal Ministry of Economics. Mr. Tolksdorf studied international economic relations at the Higher Institute of Economics in Sofia, Bulgaria. He is married and has three children.

Romana Vlahutin

Romana Vlahutin is currently the Croatian President's Envoy for Southeast Europe. Previously, she served as Political Director of the OSCE Mission to Kosovo, Head of the Political Department and Deputy Ambassador in the Croatian Embassy to Belgrade and Head of Analytics and Political Planning in the Ministry of Foreign Affairs. Before joining the Croatian Foreign Service in 2000 as a diplomat in the Political Department of the Croatian Embassy to Washington, Ms. Vlahutin worked for the Council on Foreign Relations in Washington, RAND Corporation and the UN Bassiouni Commission. Her career started as a journalist from 1991 to 1992 working with international media (BBC, CNN, WTN) in the Office for Foreign Journalists of the Ministry of Information on all battlefields in the Republic of Croatia. Ms. Vlahutin is the author of a number of essays and articles on culture and arts, as well as expert papers on international relations. She actively participated in dozens of conferences on international relations organized by major European institutes and think-tanks. She is also a lecturer in a number of programs on political leadership and at schools for young politicians. She is a recipient of scholarships from the U.S., German and French governments, as well as the City of Dubrovnik. Ms. Vlahutin obtained a BA degree at the Faculty of Humanities and Social Sciences, University of Zagreb, and a MA degree at the J.F. Kennedy School of Government, Harvard University (special fields of studies: conflict management, international security). (Image source: Demokraski Politicki Forum; Text: http://urpr.hr/RomanaVlahutin)

Zoran Vujić

Zoran Vujić (1968, Chile) graduated from the Faculty of Agriculture, University of Belgrade in 1998. In 2005, he graduated from the Universidad San Pablo CEU, Madrid, Spain, with a Master of Arts in International Relations. He attended a high level education program at Harvard University on International and National Security in 2008, and a Senior Executive Seminar at the "George C. Marshal" European Center for Security Studies in 2011. He worked for Television Espanola in Madrid, BK Telekom in Belgrade, and as a coordinator in the International Business Group in Belgrade before returning to Spain and joining Grupo Da Nicola as an Assistant Director for the ARCPC implementation. In 2001, he joined the Ministry of Foreign Affairs of Yugoslavia / Serbia and Montenegro, with a post in the Embassy of Yugoslavia / Serbia and Montenegro to the Kingdom of Spain. Upon his return from Spain, Mr. Vujić worked in the General Directorate for the EU of the Ministry of Foreign Affairs until joining the Office of the President of the Republic of Serbia as a Foreign Policy Analyst. In May 2007, Mr. Vujić was named the Chief of Staff of the Minister of Foreign Affairs of the Republic of Serbia, and thereafter in September 2007 Assistant Minister and Director of the Directorate General for NATO and Defense Affairs later renamed in 2010 to Assistant Minister for Security Policy. Mr. Vujić is married, father of two children, and speaks Spanish and English. (Image source: MFA Chile)

Laurie Walker

Mr. Laurie Walker, born in 1972 in Leeds in the United Kingdom, joined NATO's Political Affairs and Security Policy Division as an officer in 2006. Since 2010 he has been NATO's Balkans Officer and Enlargement Coordinator. He previously worked at NATO on the Euro-Atlantic Partnership Council, Partnership Reform and NATO's relations with Belarus, Moldova, Finland and Sweden. Before joining NATO, Laurie worked on EU enlargement negotiations, both for the European Commission and the UK government. He was seconded to the Commission from 2000 to 2004, working at DG Enlargement and then as a member of the Task Force that designed the European Neighbourhood Policy. Laurie holds an MSc. Econ in International Relations and has studied at Oxford, Munich and Prague universities.

BILATERAL SECURITY ROLES IN SOUTHEAST EUROPE

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The Aspen Institute Germany's conference 'Bilateral Security Roles in Southeast Europe' took place in Alt-Madlitz, Germany between October 22-25, 2012. The event brought together thirty-six select decision makers from the Western Balkans, Germany, the United States, Turkey, Russia, and the EU, with professional backgrounds in government, international and civil society organizations, academia, the security sector and Foreign Service. The conference was divided into four sessions.

The first focused on the EU and the U.S. policy frameworks. Differences between the U.S. and the majority of EU member states in Bosnia and Herzegovina (BiH) are sharper than in any other part of SEE, but it was also highlighted that intra-EU disunity over Kosovo remains a source of exasperation for the U.S. Dismantling the deficient structures of Dayton was regarded as a difficult task that would require more investment from the EU. Some participants suggested that the EU can succeed but not alone, and greater U.S. engagement and brokerage could bolster international efforts.

The second session debated Russia and Turkey's role in the region. Explanations of Turkish policy generally focused on the country's recent economic growth and greater self-confidence. What drives Russia's behavior was subject to differing interpretations, from culture to geo-politics, but it was noted that their engagement in SEE does not follow a systematic strategy. Turkey's soft power meanwhile could compliment the political approaches of the U.S. and the EU.

The third session examined ideas for increased cooperation between SEE countries. The clearest conclusion was that, though the path may be rocky, there is simply no alternative to partnership amongst the SEE states. Models and modes of cooperation were discussed and it was advocated that the EU has an important role to play in inducing cooperation and in promoting a greater development in the region. The final session examined the prospective role of external actors and debated ideas about how their efforts can be more effectively coordinated. Greater space has opened up for other players beyond the EU who may provide alternative sources of governance and capital. Whether influence may pass to Russia and Turkey was debated, and it was suggested that the U.S. has an important role to play for international coordination. It was emphasized, however, that progress in the region also depends on internal and organic solutions.

Session I

The first session discussed the priorities, policies and instruments of the U.S. and the EU in Southeast Europe, with a specific focus on BiH. From the outset it was stressed that the strategic goals of the EU and the U.S.

are generally the same: integration of BiH (and the rest of the SEE countries) into the European Union and NATO. Yet, the remoteness of these goals has opened up space for differences over short-term policy objectives. The fault lines divide two approximate groups: one led by the U.S., UK, and Turkey and the other comprised of the majority of EU members, including Germany, France, and Italy. Differences between the U.S. and the majority of EU member states in BiH are sharper than in any other part of SEE, but it was also highlighted that intra-EU disunity over Kosovo remains a source of exasperation for the U.S.

Policy differences in BiH derive from diverging assessments of the security situation. Experts noted that the U.S., UK, and Turkey have a far less optimistic perception of the security situation, which has led them to call for a continued use of 'hard power' instruments, notably peace enforcement tools and the international High Representative's executive Bonn powers. While acknowledging that the political outlook remains overcast, the majority EU bloc contend that an improvement in the general security situation means hard power instruments are unnecessary; rather the use of Bonn powers should be highly constrained and the Chapter 7 peace enforcement mandate should be ended and replaced by a focused effort on capacity building and training. Some panelists spoke out in favor of this soft power approach, arguing that the of use hard power instruments had done little to place BiH on a settled political path so far. Others contended that tough action from the international community was the only way to negate the fear factor that infects the political discourse and entrenches ethnic tensions.

Participants did, however, unite around the view that a paradigmatic shift in the governance system in BiH was necessary to overcome the flaws of the Dayton Accords. A litany of the 1995 peace agreement's deficiencies was voiced during the discussion. Speakers highlighted that the constitutional formula institutionalized ethnic discord; while others pointed out that the incentive structure offers few reasons for local elites to contribute to a functioning system of government. Participants identified the disastrous social and economic implications of this *status quo* dynamic that perpetuates dysfunction. For example, it was pointed out that Croatia's imminent entry into the EU will freeze out BiH's farmers from the Croatian market, potentially impoverishing the rural economy, but the BiH government has not been able to come up with a coherent response that could alleviate the situation. Some panelists went further, arguing that the Dayton system is institutionally corrupt because it was designed to be corrupt, forged by power holders who deliberately wrapped institutions around their interests. It has not created a peaceful democracy but a competitive oligarchy: 10,000 people constitute a nexus of politicians, businessmen, and academics that control BiH. The hegemony of this new class denies upward

mobility for the rest of society, sowing the seeds for more internal tension in the future.

As participants assessed the challenges and opportunities for the international community, there was a general consensus that dismantling the deficient structures will be very difficult. Particularly pronounced was the view that continued differences within the international community would only worsen the situation. It was noted that progress in BiH has been made – the creation of an Army under a unified command was an oft-mentioned example – but continued progress relies on a concerted stance by the EU and the U.S. Without this, not only will gains made be lost, but crucially the reforms necessary to generate a breakthrough will stall. The arrival of new European Union Special Representative (EUSR) Peter Sørensen could be helpful, but it remains to be seen if he can reconcile differences. Some participants suggested that the EU can succeed but not alone, and greater U.S. engagement and brokerage could bolster international efforts.

Getting the policy formula right was cited as critical and speakers proposed that the EU enlargement toolbox has not been successful in transforming the underlying conditions of the SEE countries. One observer advocated that the reason for the stalled accession process is simple: the incentives are just not strong enough for Bosnian elites to join the EU on the EU's terms. Bereft of political will, the EU in the words of one participant, is 'choosing to fail.' The EU manages the problem, ensuring stability via elite level cooperation, rather than investing in a future and in doing so their role is restricted to enforcing the 'bad rules of Dayton.' Participants raised concern that the EU perspective is losing its appeal amongst citizens and political elites across the region. One issue was particularly pertinent: does the EU have a plan A, B, or C for BiH and the rest of SEE?

More generally, it was debated how helpful external actors are for the region. One speaker suggested that if EU interventions serve to maintain the *status quo*, should they not just leave? Another speaker suggested that issues of importance at the international level, such as the closure of the Office of the High Representative in BiH, are peripheral to citizens' basic needs. Indeed, politicians' focus of energy is set externally, which distracts them from the more relevant issues of job creation etc. A top down approach is inherently limited and one speaker stressed that the necessary reforms ultimately cannot be delivered by the EU or NATO but must emerge organically from local sources. Corruption, for instance, has to be solved internally; reform according to EU 'best practice' represents a minimalist way to address the condition but not the practices. There was a suggestion that regardless of the defects, top-down structures may get a handle on society over the long term. Finally, the discussion ended with a call for the international community to place a greater focus on constituencies in SEE, to under-

stand better the reality of the day to day and the *bona fida* interests of local actors.

Session II

This session examined the priorities, policies and instruments of Turkey and Russia in SEE. Turkey and Russia have always had important geo-strategic interests in the area, but their contemporary impact is of increasing importance. Active Turkish engagement in SEE is explained by a booming economy at home and a more strident and self-confident policy for abroad, executed by the ruling Justice and Development Party (*Adalet ve Kalkina Partisi,* AKP). The heightened influence of Turkey in the region represents a sharp departure from the recent past. It was explained by one participant that even at the end of 1998/9, Turkey did not have a Balkan policy; others suggested that they did have a policy, but that policy was merely to follow that of the U.S.

Space has opened up for a more distinctive Turkish approach, and one expert argued that Turkey's engagement follows a coherent vision based upon the twin pillars of economic development and democracy. Yet it was stressed that Turkish foreign policy is 'risk averse,' restricted to cultural and social programs and aimed towards economic interdependence, rather than an aggressive pursuit of political and strategic interests. Nevertheless, participants noted that such soft power interventions create a sense of shared identity and belonging, and can reorient political and economic relations to Ankara. One observer noted that the visit of four Turkish cabinet ministers to Kosovo, as well as the sponsoring of Ramadan celebrations, has endeared Turkey to people there.

At the same time, an important question was discussed: how sustainable is this 'new activism' in SEE? Most participants agreed that Turkey has some major but no *vital* interests in SEE and noted that their role is challenged by countervailing forces, most notably the continued slow down of Turkey's economic growth. PKK terrorism and increasing tensions with Syria will also moderate Turkey's influence. Given these more pressing concerns, one participant argued that interventions in SEE are likely to lapse back into more traditional policies that focus on security and strategic alliances.

The discussion turned to Russia and differing interpretations about what explains her behavior in the region were advanced. One participant argued that cultural and religious identities matter: Russia casts herself as the historic 'protector' of the Slav race and competes for hearts and minds based on a folkloric narrative of common identity. It was noted that in North Mitrovica, President Putin has been accorded hero status. Others argued that the notion of a shared cultural heritage is an unconvincing construct and downplayed the importance of cultural affiliation. It was pointed out that religious

institutions do not exercise an independent influence on Russian foreign policy, nor is the population at large religious.

One speaker suggested that pragmatism and economic interests, especially energy interests, might be the key factor for how Russia acts in the future. Another argued that Russian foreign policy is shaped by a more abstract sense of geo-politics. It is normal for a great power to 'set rules, not follow them' and President Putin certainly sees Russia as a global power, albeit one of declining importance. Russian SEE policy can only be understood in terms of a broader conversation with the West, meaning macro-differences, not specific interests, shape their behavior. For instance, Russian SEE policy is partly structured by secessionist claims for its allies Abkhazia and South Ossetia in its near abroad. Speakers also suggested that Russia seeks to exploit difficulties in the region so it can create leverage for other areas of concern, particularly in the Caucasus. Some participants responded that contemporary Russian policy must be put into a context of a grievance stemming from the feeling of marginalization from the 'Balkan table' during the 1990s. In the words of one participant, Russia's behavior is most accurately described as that of a 'spoiler.'

Session III

The third session examined ideas for increased cooperation between SEE countries. The clearest message that came out was this: though the path may be rocky, there is simply no alternative to partnership amongst the SEE states. The barometer of success lies within the security field – the sharing of information between police and security forces – as participants pointed out that this is the most important measure of trust. It was also raised that this type of collaboration exists more as a strategic aim than an operational reality and at the moment it may be best for SEE countries to work together on more technical matters. Civil Emergency Planning was one area that was flagged by participants as ripe for a regional partnership, especially as recent civil emergencies of a cross-border character – massive snowfall, flooding along shared rivers, and widespread fires through record heat waves – highlighted deficits in capacities throughout the region.

Models of cooperation were discussed. One participant emphasized the importance of 'Macro-regions' that combine EU members and non-members and are supported by EU structural funds. The Regional Cooperation Council (RCC) (from 2008, the successor to the Stability Pact for South Eastern Europe) was also mentioned as having an important role to play. The main tasks of the RCC are to exert leadership in regional cooperation, provide a regional perspective in donor assistance – notably the EU's Instrument for Pre-accession Assistance (IPA) program – and support increased involvement of civil society in regional activi-

ties. One participant suggested that the Visegrád Group, an alliance of four central European states – Poland, Czech Republic, Slovakia, and Hungary – could also serve as a model for the purposes of cooperation and furthering SEE integration. Modes of cooperation were also debated. One observer suggested a focus on multilateralism may be impractical and a better approach may be to target cooperation between three states, Croatia, Albania, and Serbia for instance, and then let others get swept up in the momentum. In a similar vein, it was noted that regional cooperation does not have to include collective partnerships, but could build up from a set of bilateral agreements. More generally, a constructive axis between Zagreb and Belgrade may be crucial for determining a healthy atmosphere within the region.

Participants were keen to stress that regional progress hinges on increased cooperation between Kosovo and Serbia. Kosovo remains a 'live' and unresolved issue that persistently impedes coherent and constructive relations between the SEE countries. Regional agreements can only move forward if Kosovo is incorporated as a fully-fledged contractual partner. Post World War II Franco-German cooperation was suggested as a model to follow, though some speakers suggested that such an analogy could be problematic as it is 'not over' between Kosovo and Serbia – there is no treaty to build from. The recommendation from the discussion was that at the very least moderate cooperation between Serbia and Kosovo should be achieved sometime in the next year.

The EU has an important role to play to induce cooperation and to play a greater development role in the region. Citizens of SEE have pressing economic needs and, as one participant pointed out, structural reforms demanded by the *acquis communautaire* seem aloof from the day to day lives of citizens. In defense of the EU, one participant underlined that the EU's involvement goes beyond managing accession and highlighted the contributions the EU is making to job creation. Illustrations of EU pro-activity include the fostering of a transport community, which is of vital importance to the region's economic basis, and a tourist bike trail extending from Germany deep into SEE. One participant noted that there is no quick fix formula for job creation and warned against short term, knee jerk policies that can have negative side effects.

Slow progress in European integration actively harms efforts for regional integration. The danger is that if the EU 'enlargement vacuum' grows, impetus for SEE countries to form regional partnerships will diminish. This worrying trend is particularly applicable to Serbia which, according to one observer, is currently afflicted with a 'post Trianon' syndrome, a sense that history has played the country a losing hand. More constructive outreach to Serbia is necessary and a repeat of the Macedonian experience, where political elites have virtually no signs of accession progress to show to their public,

must be avoided at all costs. More generally, it was noted that the mixed and often equivocal messages imparted by EC Progress Reports do not signal the type of encouragement that SEE countries require.

Overcoming this predicament may require more imaginative thinking. Provoking particular interest was a suggestion that SEE countries pool their sovereignty prior to EU integration. This would represent a new paradigm of pre-accession cooperation and the prior pooling of resources may increase SEE countries' bargaining power with Brussels. At the very least, it may end the 'Regatta' style boat race that pits country against country and which can obscure the importance of regional integration.

Session IV

The final session examined the prospective role of external actors and debated ideas about how their efforts can be more effectively coordinated. With its credibility in the region diminishing at the same rate as its political will, participants noted that the EU's inaction has created a power vacuum. Greater space has opened up for other players, who may provide alternative sources of governance and capital. The advice from participants to the EU was unequivocal: it needs to go beyond 'keeping local elites' busy and to actively show that integration into the EU is good for the region and its citizens. More political and economic capital should be dedicated to the region.

One participant underscored the importance of NATO, arguing that integration into NATO is a more effective strategy for stability in SEE than integration into the EU. Countries of NATO do not fight each other; security cooperation can be the basis for political integration and accession to NATO should be accelerated for underlying conditions to be transformed. Others suggested that this might be difficult in Serbia where NATO is deeply unpopular and subject to political attacks from the ruling elite.

While most agreed that NATO and the EU should be the primary international institutions that shape the political trajectory of the region, another widely held view was that Turkey has an important role to play. The public in SEE countries trust Turkey more than many EU member states and, if given a role, they can boost the EU's soft power. But the EU seems unwilling to bring Turkey into the fold and has indicated some concern about possible Turkish encroachment in the region. It was noted that, rather disappointingly, EUFOR will not pick up the offer of more Turkish troops in Bosnia. If the EU has not moved closer to Turkey, then Turkey may be moving away from the EU due to growing disillusionment over the accession process. Participants, on the other hand, highlighted the possibilities for a more active partnership between Turkey and the EU, noting

that Turkey has been consistently willing to coordinate their policies with Western powers.

Greater cooperation between the EU and Turkey may require stronger engagement from the U.S. to 'stitch it together.' While some participants noted that the U.S. might be increasingly skeptical of the EU's engagement in the near abroad, one participant challenged the view that the U.S. has lost interest in the region. The U.S. is certainly not shifting its foreign policy lock, stock, and barrel to the Pacific but rather rebalancing its interests and the region is still very much on the agenda in Washington. It was highlighted that Secretary of Defense Leon Panetta will meet with five of his SEE counterparts by the end of 2012, that the U.S. will continue to contribute to KFOR in Kosovo and work closely with the EU in relation to the Kosovo-Serbia dialogue. While engagement with the Balkans will remain steadfast and coherent, it was acknowledged that Washington considers SEE to be Europe's primary responsibility, especially because it is the EU which offers the most powerful tools and incentives for transforming political conditions.

If a more coherent trilateral U.S.-Turkey-EU partnership offered one route forward, participants spotlighted the other alternative, that of increased Russian involvement in the region. It was suggested that the 2008 war in Abkhazia was in effect a 'public relations' war between Russia and NATO that sent a strong signal that alternatives to Western preeminence are possible, including in SEE. A participant called attention to the 'quick cash' now on offer from Moscow that could be especially appealing to SEE politicians. Alternatively, one expert deemed the idea of Russia exporting models of governance to the Balkans as highly unlikely because these models do not travel well. Central Asian states have not adopted the Russian model and there is a domestic perception that the Russian model is not as good for export as the Soviet system. Participants described Russia's involvement as mostly *ad hoc*, offering temporary 'service contracts' to agents and actors who may serve their short-term interests, rather than being configured to the long term. In the view of some participants, Russia's engagement in the region was identified as necessary, but it could also generate tensions. It was noted that while Turkey, for instance, largely cooperates with the U.S. and the EU, Russia tends to compete. Apart from traditional tensions and differing normative outlooks, the view was raised that Russia is not particularly interested in moving closer to the West, despite enhanced economic relations. Russian society does not subscribe to EU social models and many young people tend to be anti-American; NATO is also hardly a favorite institution in Moscow.

One observer stressed that the discussion of external actors tends to frame SEE as a case of post-conflict management that obscures a deeper underlying post-communist transition. It was emphasized that it is the post-communist transition which is more intractable and which poses starker challenges. Given this diagnosis, progress depends on internal and organic solutions. 'Plan A' for SEE should be to deal with the post communist transition first and to conceive of EU integration as a 'Plan B', a secondary but complimentary process; otherwise EU integration will just keep running into the problems of post communist transition.

Concluding discussion

The concluding session discussed some ways forward and summed up some leitmotifs of the conference. Problems still afflict the Balkans but as one observer stressed, the problems that the region now faces are the type that the region could only have dreamed of fifteen years ago. Attendees noted that the EU should receive credit for what it has achieved in the region but a point now has been reached at which the EU needs to up or change its game. There is an over-reliance on the enlargement toolbox that may lack the right calibration to engage SEE. Local elites see the integration process as one with few rewards and feel as though they are unjustly facing high hurdles because of the mistakes the EU made with the integration of new member states. Whether the EU has lost its allure or the relationship with SEE is stalling is open to debate. What is quite clear is that the EU may not be the only game in town and how the EU responds to the vacuum will be critical in defining the future of SEE. Speakers stressed that the EU may not be able to act alone but due to its own contorted and inner conflict may not be the most enterprising actor to underpin international cooperation.

But the region is and should not be dependent on the EU – or any other external actor. Addressing internal challenges requires local solutions and regional cooperation is essential for the SEE to overcome many of the problems unrelated to the EU integration but inextricable from their post-Communist inheritance. Different modalities were put forward, from the RCC to a more radical approach of pooling sovereignty, all of which underscored the need for Kosovo to be party to the cooperation.

THE EU AND U.S. ON SECURITY IN SEE – DIVERGENCE, CONVERGENCE AND MUTUAL CONFUSION

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In this brief summary I will attempt to address the questions posed for the session German, EU and U.S. priorities, policies and instruments for a future security architecture in Southeast Europe from my on-the-ground perspective in Sarajevo and based on the recent research I and colleagues have conducted. While not exhaustive, I believe the most salient points can be covered briefly.

Q: What are the EU's and U.S.' risk perceptions in SEE?
A: Depends on where you are talking about.

As one EU official recently told me in an interview for Democratization Policy Council's most recent policy study, the divergence among members of the Peace Implementation Council Steering Board (PIC SB) and within the EU among member states on their situational assessment of Bosnia and Herzegovina is wider than on any other country in the region. This also pertains to perception of risk. The U.S., UK, and Turkey share the view, along with Canada and Japan, that peace enforcement tools remain necessary. The majority of EU members that articulate a view (perhaps an absolute minority) subscribe to the view that this is unnecessary. The situational assessments produced by the EU seem to view the security outlook of BiH as divorced from the political, which is acknowledged to be poor.

The clearest diagnostic marker is the staffing and mandate of the EU's Chapter 7 deterrent force in Bosnia, EUFOR (Operation Althea). In November 2012, the UN Security Council will vote on renewal of the Chapter 7 peace enforcement mandate, which until the end of 2004 was undertaken by NATO (SFOR, previously IFOR). For some years, contributing member states have unilaterally withdrawn their contingents – Germany being the latest in this trend. At present, the largest EU member state contributors are Austria, Hungary, and Bulgaria; Turkey is second only to Austria in its contribution to the force. In 2011, three distinct groups emerged within the EU on staff levels and mandate. The majority of large member states, including Germany, France, and Italy, but also Spain and Sweden, advocated ending the Chapter 7 executive mandate altogether to shift to capacity-building and training. Following EU military commander (and DSACEUR) General Sir Richard Shirreff's counsel that to meet its obligations the force would need to be brigade-strength, Britain advocated reinforcing the on-the-ground capability of EUFOR, reinforcing the force toward its mandated strength. A third group of Central and East European members (Austria, Bulgaria, Hungary, Slovakia and Slovenia) called for the force to be stabilized at 1,000 troops, 300 below the actual manpower on the ground at the time. In the end, the price of keeping the executive mandate was a halving of the force to approximately

600 troops, few of which have operational capacity. Any operational reaction would require the insertion of "over the horizon" forces, for which there are commitments from Austria, Britain, and Slovenia. In a meeting of EU defense ministers in Nicosia in September, Austrian Defense Minister Norbert Darabos called for an EU Battlegroup to be deployed to BiH as a deterrent and tactical reserve force.[1] In theory, the EU has two 1,500-member battlegroups, comprised of contributions from member state forces, on-call at any given time, able to react within 5-10 days. None has ever been deployed.

EUFOR's latest public relations campaign acknowledges the force's denuded capacity with posters proclaiming "EUFOR Inside and Outside BiH – Ready for Rapid Deployment." EUFOR contacts confirm consistently to the author that the ability of the fielded force to react to on-the-ground contingencies is effectively nil. The lag time in deploying over the horizon forces in the event of unrest depends not only on the readiness of these forces, but also the political will to call for them. In Kosovo in summer 2011, the KFOR commander was initially rebuffed when he asked for reinforcement and was told that he was overreacting. Given the posture of EUFOR and division among member states, it is plausible that rather than exercising the prerogative of the EUFOR commander to deploy the forces on hand to a situation (roughly a company), he would defer to Brussels and lose valuable time, increasing the probability that the situation would escalate beyond EUFOR's ability to address it without reinforcement from outside. That deployment would also likely suffer from the political bottleneck of a divided EU.

I have heard differing views on whether there will be a renewed fight over the Chapter 7 mandate within the EU before the mandate comes up for renewal. In June, External Action Service Deputy Secretary General Maciej Popowski stated at a public forum that the EU wanted to move into a capacity building role.[2] When asked if this meant that the EU wished to unilaterally abrogate a Chapter 7 peace enforcement obligation for which it campaigned and received after Berlin-plus arrangements had been made with NATO, Popowski attempted to backtrack, stating it would not be unilateral – it would be up to the twenty-seven. This was hardly a satisfying or reassuring answer to the author.

A reflection of the apparent desire of the EU to back out of its peace enforcement obligation can be discerned in the most recent EC Progress Report on BiH, released on October 10. The relevant paragraph in its entirety is below, with the passage in question italicized.

The EUFOR Althea military operation contributed to maintaining a safe and secure environment in the country. In 2011, the UN Security Council extended EUFOR's mandate until November 2012. The Operation was reconfigured and reduced to 600 troops in theatre as of 1 September, focusing on capacity-building and training, *while also retaining the means to contribute to the Bosnia and Herzegovina authorities' deterrence capacity.* A reserve force outside the country will conduct regular in-country reconnaissance and training.[3]

EUFOR's mandate is to ensure a safe and secure environment in Bosnia and Herzegovina. "Deterrent capacity" implies military – and the armed forces of BiH are (rightly) legally prohibited from operating in an internal security capacity. If the Commission means domestic law enforcement (mostly sub-state), then it is an odd choice of language. It appears that the EU would like to subject its own peace enforcement obligations to "ownership" as well.

Regarding Kosovo, there is more transatlantic convergence of views, particularly following the security incidents beginning in Summer 2011 in northern Kosovo. The differentiation evident between the U.S. and Germany over Bosnia is effectively nonexistent when it comes to Kosovo – a fact noted in both Berlin and Washington.

Q: Do the EU and U.S. share the same long-term goals? A: Yes, but...

This is the point of the greatest transatlantic convergence – both the EU and U.S. generally aim for the entire region of SEE to integrate fully into the European Union and NATO. Given the medium- to long-term timeframe involved, it is relatively easy to come to agreement on these goals.

But even on this common aspirational point, the EU is not united, given the fact that the EU has five non-NATO members (Austria, Cyprus, Finland, Ireland, and Sweden). The differentiation goes further than this, however, five other EU members do not recognize Kosovo's independence (Cyprus, Greece, Romania, Spain, and Slovakia), which has further complicated the EU's own policies and activities there. The lack of a unified EU policy toward Kosovo remains a potent transatlantic irritant. As a result of the lack of consensus within the EU, the path toward membership for Kosovo remains blocked. In that respect, Kosovo is unique in the region.

[1] "Austria Wants EU Battlegroups Deployed in Bosnia," Bosnia Daily, September 28, 2012.

[2] EUPM Legacy Seminar, June 7-8, 2012 at http://www.eupm.org/Legacy.aspx The site contains the program and a number of the prepared statements of the speakers, but not questions and answers from the audience, which followed each panel.

[3] Bosnia and Herzegovina 2012 Progress Report, Brussels October 10, 2012. Available at http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/ba_rapport_2012_en.pdf.

Q: How can the EU and U.S. achieve their short-term goals?
A: They don't know.

When it comes to the largest open issues in the Balkans at present – the deteriorating situation in Bosnia, the stalled attempt to create a functional relationship between Serbia and Pristina, and the questionable orientation of Serbia – both sides of the Atlantic appear to be at sea and out of creative ideas.

The EU's widely – but not universally – held belief is that the enlargement perspective is the primary foreign policy tool for SEE. While the United States shares the goal of EU membership for all countries in the region – including, controversially for a number of EU members, Turkey – Washington is skeptical of the ability of the enlargement toolbox alone to achieve this goal.

Again, Bosnia contains some of the starkest illustrations of this differentiation, which were at their most pronounced in mid-2011. Following EU High Representative Catherine Ashton's surprise visit to Banja Luka on May 13, 2011, divisions among the Western peace implementing powers in BiH were at their widest. Among the PIC SB members who believed that any solution that avoided the use of the international High Representative Valentin Inzko's executive Bonn Powers to forestall a referendum on state judicial institutions was better than one that employed them were: the EC, European External Action Service (EEAS), France, Italy, Germany, Spain – and Russia. Call this the "enlargement über Alles" camp. Those skeptical of this approach included Canada, Japan, the Netherlands, Turkey, the UK and U.S. call these "the skeptics." The acrimony attending this divide has been notably reduced since September 2011 and the arrival of EUSR Peter Sørensen, largely through what appears to have been an Anglo-American understanding to hope that the Danish Sørensen would toughen the EU's political approach. This has not materialized, and the skepticism remains. Presently, Turkey is the most vocal behind this viewpoint – and sometimes alone. Without American leadership, others with similar points of view are likely to remain silent.

Q: Which issues of security cooperation with Southeast European countries should receive more attention?
A: Both civil defense and counterterrorism.

The former issue was discussed at Aspen's roundtable in Durrës in September 2012 in some detail by other participants. But recent civil emergencies of a cross-border character – massive snowfall, flooding along shared rivers, and widespread fires through record heatwaves – spotlighted deficits in capacities throughout the region. Identifying these failings systematically and redressing them – including devoting external assistance to them in a coordinated fashion – would be perhaps the most meaningful application of regional coop-

eration possible at present, especially when considering the divergence of views on hard security issues.

In terms of counterterrorism, the bombing of a tourist bus in Burgas in July 2012 and the attack on the U.S. Embassy in Sarajevo by Islamist gunman Mevlid Jašarević demonstrated that the region is no more immune from terrorist incidents than other Western countries. Regional security coordination – as well as domestic capacity and coordination – were shown to be lacking in both cases. Remediating these weaknesses is crucial to public security within the region and beyond.

Q: How can these external actors better support Southeast European countries in developing a future security architecture for their region?
A: By continuing efforts to assist their entry into NATO, where desired by the countries in question, and working to ensure civil and democratic control over security services.

I don't believe that new security mechanisms need to be added to the already existing alphabet soup of initiatives and mechanisms – many of which are already moribund. What is needed is focus on the part of the countries in the region to avail themselves of the opportunities already provided via Partnership for Peace, their individual relationships with NATO, and *honest* encouragement from current NATO members – including Croatia and Albania.

The winding-down of the war in Afghanistan might have the effect of increasing the desirability of NATO memberships among publics in the non-NATO countries of the Western Balkans. Those current (including founding and new) members of NATO which would like to see the alliance shift back to its territorial defense role would find sympathy in a number of countries in the region.

But honesty is also essential. While an enthusiastic supporter of NATO enlargement in principle and practice, it's my impression that it is often oversold as a security instrument in places where the proximate threats to security are not external but internal. Bosnia and Herzegovina is once again a prime example. NATO membership right now would not provide a defense against internal conflict. For that reason, EUFOR or another Chapter 7 force, perhaps again under NATO if the EU wishes to divest itself of this responsibility, remains essential there. Another facet of honesty is skepticism on the part of many current members that new members from the region would be a value added – or even a poison pill which could cripple the alliance's decision-making processes. Again, Bosnia and Herzegovina's current constitutional order, in which the three-member Presidency commands the armed forces, is a problematic example. A senior U.S. official recently told the author that this fixture could allow Russia – via the Republika Srpska – to impede NATO decisions. Until that is changed, even this pro-

BiH and pro-NATO enthusiast blanches at the country's joining the alliance.[4]

On this final question, it is important to make the point that as important as an enlargement perspective is to the countries of the region to impel reform and improve governance, including in the security sector, enlargement is not a sufficient tool. In their actions relating to Kosovo independence and in efforts to resolve the Serbia-Kosovo dispute, the EU – including Merkel's government – and the U.S. have demonstrated recognition that additional engagement and tools are needed to put the Western Balkan countries successfully on the path towards the European Union. The EU will need to field additional hard power and foreign policy instruments to foster security in the region – and for itself. The overreliance on enlargement as the EU's sole foreign policy instrument in the Balkans leads to contortionism for the sake of presenting doctrinal purity. That may play well in Brussels and other EU capitals, but it is counterproductive in the region.

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[4] Author discussion with senior U.S. official, October 2012.

TURKEY'S OBJECTIVES IN THE BALKANS WITH SPECIAL REFERENCE TO THE U.S., RUSSIA, AND THE EU

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Since the first half of the 1990s, Turkish foreign policy in the Balkans can be characterized by an active engagement, leading to improved economic and political relations. During the unraveling of Yugoslavia, Ankara took sides against the central government represented by an ultranationalist Serbian regime. After the Dayton Agreement of December 14, 1995, however, Turkey began to move towards an impartial position, contributing to the implementation of peace and reconstruction. It sought to contribute to peace and stability through multilateral arrangements such as peace operations and NATO's Partnership for Peace (PfP) programs. In addition to multilateralism, it made increased efforts to foster bilateral economic and political cooperation. Until recently, Turkey's military presence in the region has been confined to participation in NATO and EU peace operations in Bosnia-Herzegovina, Kosovo, and Macedonia. It has also developed military cooperation with all countries in the region within the framework of NATO programs and bilaterally. Military cooperation was useful not only for preparation for NATO membership, but also important to introduce an element of internationalism into national armed force. It is to be noted that, in its relations with the Balkan countries, Ankara has always been careful to remain within the general principles and political objectives of its Western allies and supported the Balkan states' NATO and EU perspectives.

Turkey's strong support given to the independence of Yugoslavia's former federated and autonomous entities, its Western credentials and its religious affinity with some of the Balkan populations considerably facilitated its liberty of action in the region. Among the Muslim populations of the region Turks are regarded as a friendly nation. Turkey also has friendly relations with the non-Muslim countries such as Croatia and Macedonia. In contradistinction to this situation, for exactly the same reasons, its relations with the Serbs became highly problematic. Following the demise of the Milošević rule in 2000, however, cooled relations between Turkey and Serbia at the time of the 1992-1995 Bosnian War and Kosovo War in 1999 gradually changed into correct and constructive relations. Turkish governments were well aware that they could hardly play a constructive role in the Balkans without Serbia's cooperation. They made immense efforts to improve economic, cultural, and political relations. Turkey and Serbia concluded a free trade agreement. In 2011, the total trade volume between the two countries was 570 million U.S. dollars. This figure represented a seventy-five percent increase since 2006. Turkish construction companies also increased their contracts considerably. Serbian journalists note that the popular interest to Turkish TV serials and Turkish language centers are on the rise. Turkey, encouraged by the improving relations with Belgrade, also took mediatory initiatives to facilitate the settlement of

the disputes in Bosnia-Herzegovina, Kosovo, and the Sandžak region.

Despite these positive developments, it is probably too early to say that peace and stability have returned to the Balkans, and that Turkey's involvement in the region unrolls without problems. Religion and sectarian differences still are a significant element of ethnic nationalism. They seem to be a major source of the reciprocal lack of confidence. Being a Muslim country, Turkey also suffers from a lack of confidence of certain segments of Balkan populations. Moreover, in Serbia and Republika Srpska in particular, it is accused of pursuing a "neo-Ottoman" foreign policy agenda. In this context, Turkish foreign policy is often construed as assertive and dominant, reflecting an ambition to revive the Ottoman Empire. It is to be acknowledged that Turkish officials' occasional references to the Ottoman past and Islam are likely to strengthen this impression. Although this interpretation is a caricature of Turkey's post-Cold War activism, it has to be taken seriously and, as such, it requires this paper to make a reevaluation of the most fundamental drivers of Turkey's interests and political objectives. In doing so, I also intend to deal with certain aspects of Turkey's relations with the United States, Russia, Europe, and other regions to the extent that they affect the Balkans and Turkey. This analysis also aims to clarify the prospects for security cooperation between the EU, the United States, Russia, and Turkey in Southeast Europe.

Interests and Structural Drivers

Analysts usually try to explain Turkey's new foreign policy in the Balkans (in the other neighboring regions too) by its regional interests. Turkish elites often underline "common history" as a source of the growing foreign policy interest. This undoubtedly has a certain relevance regarding relations with the Turkish minorities and Muslim populations. This may also be the perception of these communities and Turkish people may have a sense of responsibility towards them.

However, despite certain cultural similarities between the Balkan peoples and the Turks due to intense cultural and social-political interactions in the past, it would be misleading to refer to common history too much because of two reasons. First, religion is an important element of culture. Difference of respective religions is very likely to weaken the cultural affinity and common history argument. Secondly, the modern history of the Balkans has dark sides that continue to complicate the memories and actions of all the parties concerned.

Another argument is the increased influence of the Balkan Muslims and Turks on the Turkish government through the Balkan immigrant associations in Turkey. It is true that they have a certain weight in the formation of public opinion. But their impact on foreign policy is far from being decisive. The government has so far

displayed an ability to manage such lobbies without putting aside its own policy priorities. For example, Turkish government and political personalities were under similar pressures from the Caucasian (Chechen, Abkhaz, Georgian, and Circassian) associations, demanding that the government should react strongly to Russia's stern measures and military operations. Turkey was able to resist this pressure and did not forego its priority of maintaining friendly relations with Moscow.

Turkey has always considered the Western Balkans as its neighborhood and as a gateway to Western Europe. Therefore, the stability and security of that geography is important for three reasons. First, more than sixty percent of Turkey's trade is with Europe. The region is a transit route for that trade. Second, more than six million Turks live in Western Europe. Third, Turkey's growing economic relations with the Balkan countries constitute an important factor increasing its interest in the region.

Finally, it can be argued that Turkish engagement in the Balkans is closely related to its European vocation. To the extent that Turkey actively participates in the reestablishment of peace and security in the Balkans together with its European allies, this would consolidate its European identity and facilitate its becoming a member of the European Union. This argument has dramatically lost its relevance. First of all, Turkey has so far received minimal (if not no) encouragement from Europe in the Balkans. Secondly, EU membership for the majority of the Turkish population has already become a far away possibility, and it is rapidly fading away. Although the Justice and Development Party government is the first government that established a ministry responsible for EU affairs, it seems that it has abandoned EU membership as a priority objective. On the other hand, the Europeans have not yet developed a clear idea of possible contributions through Turkish membership to the EU's grand strategic objectives (if the EU has a grand strategy). European states seem contented with the security relationship in the NATO framework.

Interest-based analyses have only a limited value to explain Turkey's post-Cold War activism in its neighborhood in general and in the Balkans in particular. In contrast to the Middle East, Ankara has no vital security interest in the Balkans. As remarked above, it only has a series of interests that can be qualified as "major." There is not the perception of an existential threat emanating from that region. Therefore, Turkey's engagement in the region calls for a number of other clarifications. The deeper causes of Turkey's increased involvement in its neighboring regions, including the Balkans, should be sought in the transformation of the international system after the Cold War and in the psyche of Turkey's political elites.

The structural change of the international system after the Cold war brought regional concerns to the forefront by diminishing the impact of the global balance of power on the regions. As a consequence of this development, regional powers such as Turkey, Brazil, India, Indonesia, and China have moved more to the forefront. These regional powers, benefiting from the new systemic flexibility, began to pursue more independent, diversified and assertive policies. Another development has been the gradual decline of membership prospects in the eyes of both Turkey and the EU. The disappearance of the Soviet threat after the Cold War also opened new avenues not only to improve relations with Russia, but also to increase its liberty of action in its neighborhood. Parallel to these developments, Turkey's strategic dependence on the United States has gradually moved from a kind of "patron-client relationship" to a strategic partnership operating on a footing of equality and mutual consultations.

Turkey's involvement in the Balkan War of the 1990s principally followed the U.S.'s actions. Once Slovenia, Croatia, and Bosnia-Herzegovina were established as independent states, Turkey recognized them without delay. Turkey never considered the conflicts between Serbia and Slovenia, Serbia and Croatia, and Serbia and Bosnia-Herzegovina ethnic or religious conflicts, but defined them as flagrant aggressions on the part of Serbia. Therefore, they had to be dealt with by adequate means in terms of Article 51 of the United Nations Charter, which grants victim states the right to individual and collective self-defense. However, in spite of its belief in the application of article 51, Turkey actively participated in the imposition of an arms embargo not only on Serbia, but also on Bosnia-Herzegovina and Croatia by sending a frigate and a submarine to the Adriatic, where it prevented arms from getting through to the victims of aggression. Turkey's active contribution to the embargo continued throughout the most bloody stages of the conflict in Bosnia and Croatia until November 1994, when the United States instructed its ships in the Adriatic not to impose the embargo. Following the U.S. decision, Turkey took an identical action. Following the United States again, it declared its support in favor of the "lift and strike" option and worked to convince the allies that this would be the best means to solve the problems in former Yugoslavia. Another inconsistency was the fact that Turkey was in favor of a multicultural and pluralistic Bosnia-Herzegovina. On the other hand, it actively contributed to the Dayton agreement, which provided that Bosnia would be divided along ethnic lines. Turkey's inconsistencies reflected, on the one hand, the legacy of Cold War alliance behavior and, on the other hand, its dramatic experience with nineteenth-century Balkan nationalism. While the latter induced it to voice its indignation as regards the ultranationalist Serbs' aggressive ethnic cleansing policies, the former restricted Ankara's new activism to cooperation with Western allies, especially with the United States.

Since the year 2000, Turkey and the United States have shown that they are able to accommodate their respective interests and take into account their respective sensitivities. The U.S. attitude toward Turkey's new activism and occasional unilateralism (like in the case of the Turkish Prime Minister's verbal attacks against Israel) has evolved from "forbearance" and tolerance to "selective encouragement". This was especially visible in the Middle East and the Black Sea basin, where their security interests are not always easily compatible. As to the Balkans, there is no difference between the policies of the two allies. Cooperation is the rule. This is especially evident in their common actions in the Peace Implementation Council for Bosnia-Herzegovina. They also have very similar views concerning Kosovo.

Another significant impact of the systemic transformation can be seen in Turkish-Russian relations. Turkey values its friendly relations and cooperation with Russia. Despite rivalry over issues such as Iran and Syria, and NATO's increased presence in the Black Sea area after the Cold War, economic relations have improved rapidly to the benefit of both countries. Russia has become one of Turkey's leading trading partners and one of its energy suppliers. Both governments are careful in their rhetoric. They play down their differences, but put mutual benefits to be derived from cooperation to the forefront. As a result of growing business interests, a powerful pro-Russian lobby is quite active in business and political circles. However, Turkey's concern has been the possibility of a Russian military intervention in Georgia or Azerbaijan, threatening the independence and territorial integrity of those nations. This risk is probably fading away because Russia seems to have opted for less assertive policies to maintain its influence in its "near abroad" in general and in the Caucasus in particular. As for the Balkans, it is not Russia's "near abroad." It would be difficult to argue that Russia has direct vital security interests in that region. For that reason, Moscow should be in a position to approach the Balkans with an ease of mind. If we consider the fact that the war in ex-Yugoslavia and various crises in the Caucasus and the Middle East did not hinder economic cooperation and correct diplomatic relations between Russia and Turkey, it would be too pessimistic to expect a new Balkan crisis that would destroy Turkey-Russia relations.

Beside the structural transformation of the international system, the second fundamental driver is Turkey's search for international stature to achieve a new and better standing in international affairs. This should be seen as a struggle to regain a lost status, to obtain what Turkey believes is its deserved place in international society. Turkey's activism in the neighboring regions has undoubtedly a strong historical reference. But this is in no way an ambition of reviving the Ottoman Empire or, in any sense, a call for an imperial policy that suggests hegemony or domination. It is rather a completely different, even a "benign" drive whose origins can be

traced back to the period of decline of the Ottoman Empire. In this process of achieving a better standing, Turkey accords great importance to its Western links. Multilateralism and cooperation with the West are the principal characteristics of Turkey's activism and its diplomatic-strategic approach to its neighborhood, including the Balkans. It prefers to act together with its Western allies and regional friends. It views NATO and the EU as the linchpins of stability in the Balkans and other regions. For instance, it contributes enthusiastically to NATO's PfP program. The purpose of such programs is not only to encourage military cooperation. Their final objective is to project stability and liberal-democratic values and norms to the Balkans and eastwards. Turkish elites believe that active participation in such projects will strengthen their state's Western identity and improve its standing in international affairs. On the other hand, however, Turkey's new foreign policy emphasizes the importance of its Ottoman past and its historical ties with the Balkans and other neighboring regions. These ties are in general considered as facilitating the increase of its influence in those regions. Turkey's increased regional influence would enhance not only its global standing but also the weight of its views in consultations (and bargaining) with the Western allies.

Limitations and Prospects

Turkey's shift to a more balanced and diversified foreign policy is not in contrast with Western interests and objectives. Turkey still is a staunch NATO ally and continues to make a considerable military and non-military contribution to alliance operations in spite of its own national needs. Moreover, more important than its material contributions, Turkey's Western identity and its secular and democratic regime mixed with its Muslim identity is a great asset for the West. How can the West make use of the potentially positive political role of the Muslim communities in the Balkans in particular and in Europe generally? How can Turkey contribute to the formulation and implementation of a political strategy in this respect? These questions remain unanswered and require serious debate and research in prejudice-free intellectual platforms.

What are Turkey's major limitations? Turkey is unable to supply large amounts of economic and financial support to the Balkan countries because of the dwindling rate of its economic growth as a result of the financial crisis in Europe. Second, Turkey has its own vital security problems such as terrorism, the Kurdish problem, the Syrian crisis, and the Iranian uranium enrichment crisis, which require urgent treatment. Third, despite many successful democratic reforms, Turkey still has human rights problems. Its democratic deficiencies are very likely to decrease the credibility of its promotion of democratic and liberal values. Fifth, Turkey's Ottoman past and Islamic faith have a double-edged sword effect on the Balkans. While they facilitate

friendships with certain states and communities, they complicate relations with other communities.

We also have to look at possible implications of the recent changes in world politics on the West Balkans. The foreign and security policy priorities of the United States are shifting towards China and the Asia-Pacific region as a whole. In economic and financial terms, America is becoming more and more dependent on that region. According to President Obama, this century will be America's "Pacific Century". This trend may have dramatic consequences for American engagements in different parts of the world, including the Balkans and the Middle East. The European allies will, of course, continue to maintain their economic and political significance for Washington. But, comparatively, Europe will cease to be an exciting geography in terms of new geopolitics. Washington's new security framework will have to rely more on regional cooperation under regional leaderships. U.S. engagement in the Balkans will diminish whereas the EU role will come to the forefront. Considering the continuing alienation of Turkey from the EU, it would not be wrong to expect a diminished role for Turkey in the Western Balkans. The United States' partial withdrawal from the Middle East and its increased reliance on regional Arab allies and Turkey may also have a negative effect on Turkey's political presence in the Balkans. However, despite these constraints, economic relations may continue to develop, depending on the impact of the present financial crisis.

Parallel to the rearrangement of American policy priorities, Turkey's economic and political relations with China and the Asia-Pacific region in general tend to increase. The Shanghai Cooperation Organization has accepted Ankara as a "dialogue partner." These developments will provide Ankara with new opportunities to closely cooperate with Russia, China, and the Central Asian States. U.S. engagement in that region should be viewed by Washington and the regional partners not as the beginning of a new power competition, but as an opportunity for promoting economic, cultural and political relations, developing toward cooperative security. As it is the case in Russia-Turkey relations, partners should not permit their political differences to infect their non-political cooperation.

The transatlantic linkage continues to be the backbone of the European security framework. NATO and the EU are primary institutions, which are responsible for the security and stability of the Balkans within that framework. Although Turkey has vital and more urgent security interests in the Middle East and its foreign policy interests are diversified, its responsibilities to the Balkans continue not only for historical and economic reasons, but also due to its NATO membership. Russia's participation in the Euro-Atlantic security arrangements is of utmost importance for the long-term security and stability of Europe and its neighborhood.

The present trend, however, is just the reverse. NATO-Russia cooperation is in trouble. Moscow's assertive diplomatic-strategic behavior frightens the Central and Eastern European members of NATO. Russia regards NATO's expansion as the extension of the West's zone of influence and even hegemony. In Russia, there is a strong feeling that it is being estranged from Europe. There is also a divergence of interests in the Balkans. Moreover, there are still deep differences between the Western community of nations and Russia, regarding the norms of international relations, such as the interpretation and application of state sovereignty, human rights, and interference in domestic affairs. The different position on norms would complicate NATO's, and even the EU's, performance in the Balkans. For these reasons, it would be too early to engage Russia on a permanent basis in a Balkan security framework. On the other hand, Russia is Europe's main energy supplier and its very important economic partner. Russia's involvement in the security framework in Europe (and the Balkans) through an effective consultation mechanism, confidence-building measures, cooperative security arrangements like in the Black Sea, and *ad hoc* participation in peace operations as in the IFOR/SFOR experience would be extremely useful as a transitional learning stage to prepare the parties to further security integration. At this stage, it would be of utmost importance to revitalize NATO-Russia cooperation and not to allow political differences to overshadow economic and other non-political achievements.

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RUSSIA ON THE BALKANS: BAD AFTERTASTE OF THE 1990s

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Y ou do not understand", said a Russian diplomat in Moscow, who had just returned from Central Europe, "every time Russia was on the Balkans, it was good for the local people. Every time someone else controlled the Balkans, it was bad for the local people. Austrians, Turks – they all only tried to enslave the Slavic people living there. Only we, the Russians, also a Slavic people, can understand the locals and help them. That is why we must not leave our brothers" – he said and looked at me proudly. "That is why they love us! In any Serbian village you just have to say you are Russian and you get a free Rakia!" – he added, laughing.

Russia and the Balkans: History is Too Long

It is impossible to understand current Russian policy on the Balkans without looking back over two centuries of Russian involvement in the Balkan wars and conflicts. Already at the time of the Czarist Empire, Russia traditionally understood itself as the ultimate protector of the Slavic population on the Balkans – and as a protector of Orthodoxy. As early as the 1790s, the Russian fleet under the command of Admiral Fyodor Ushakov tried to bring the East Mediterranean under Russian control, defeating Turkish naval forces and protecting the Greek coastline. During the Russio-Turkish war in the years 1877-1878, the core idea of Russian politicians and the Russian military was the protection of Christians against "barbaric Islamic hordes." In the year 1914, the Russian Empire entered World War I with propaganda posters presenting Russia as the supreme protector of its "brothers" – the Slavic population on the Balkans. This idea of Pan-Slavism was not very popular in the Soviet era, but has been revived after the collapse of the Soviet Union.

With their strong ties to the Slavic countries on the Balkans, Russians believe in some sort of a "spiritual brotherhood" between Russia and the Balkans. On the Balkans, there are two countries Russians feel to be most related to: Bulgaria and Serbia. Only these two peoples are often called in Russian *bratushki*, meaning "dear little brothers." This name symbolizes not only the Russian affection for Serbs and Bulgarians, but also the Russian vision of its role in the region. The increasing role of the Orthodox Church and its spiritual view of Orthodox Serbs (often considered to be "better Russians" – more honest, more religious etc.) played a role in the revival of old views of the Balkans too. Russia has started to see itself again as a "mother" of the Slavic peoples in the region – and as their protector.

A new era of conflict on the Balkans started with the collapse of Yugoslavia. The following Balkan wars revived old Russian hopes and fears. The NATO intervention was understood as a deep insult of Russia. Prime Minister Yevgeny Primakov, who was flying

across the Atlantic to the U.S. when he got the news that the U.S. decided to start bombing Belgrade, ordered his plane to turn around. The bombing of Serbs to protect Albanians was understood as the bombing of Orthodox people to protect Muslims – a sad misinterpretation in modern Russia, which was trying to find its new identity. In Moscow, hundreds of protesters gathered around the U.S. Embassy and even tried to storm it. Russian bloggers celebrated the crash of the U.S. F-117 Nighthawk bomber, as well as the raid on Pristina airport on June 12, 1999 by Russian airborne troops, when a Russian battalion captured the airport facility and held it for days.

The idea of the Balkans as a vital Slavic region that should be protected by all means is very much alive in the Russian modern policy. The connection with an almost irrational fear of the Balkans as a "graveyard of empires" is also interesting – the Russian population has not forgotten that the final decline of the Czarist Empire started on the Balkans, after Russia entered World War I, ending in a Russian revolution and the collapse of the Empire.

Not a War Game Anymore: The Balkans as a Lost Region

Currently, Russian policy towards the Balkans can be understood as a policy in a region that is considered militarily lost – and lost to NATO. It needs to be understood that Russian politicians and Russian citizens still think in terms of the dichotomy of the Cold War with Russia and NATO as deadly enemies. According to a survey of the independent research center *Levada*, 64% of Russians believe Russia has enemies and 18% of Russians believe that Russia is "surrounded by enemies on all sides." At the same time, 29% of Russians believe that the USA is an enemy of Russia and 26% believe the enemy of Russia is NATO, which leaves the USA and NATO the second and third biggest enemies of Russia respectively, after Chechen militants (50% of votes).[1]

In the Balkans today, five of eleven states are full members of NATO and three states participate in Membership Action Plans (MAP). In fact, only Serbia and Kosovo are not part of a Membership Action Plan – and considering that Russia still does not recognize Kosovo, from the Russian perspective Serbia remains the only Balkan country that is not a current or near-future NATO member.

Of course, Russia will try to emphasize its criticism of NATO expansion on the Balkans. For example, on June 27, 2012 the Russian ambassador in Serbia, Alexander Konuzin, said in Belgrade, greeting participants in a conference: "A rich region, crossroad of world cultures, holy Slavic land, remains a low-stability zone with an

unclear future. … One of the birthplaces of Orthodoxy is now endangered: centuries-old holy Christian places could be destroyed and paganized."[2] He continued pointing out that the idea of NATO membership for Serbia is "unnatural": "The leaders of Serbia have stated many times that Serbia's NATO membership is not a current issue for this country. But many actors systematically try to force Serbs into NATO. A concentrated network of NGOs transmits ideas that come from abroad – to act for NATO, to persuade the deputies of Skupsina, with members of government, with political leaders. Russia is not a foreign country on the Balkans. For centuries we have cooperated with our Slavic relatives, we patronized them, protected them and liberated them from foreign occupation and slavery. The Russian presence on this land is historically legitimated," he added.

But despite these speeches of a Russian Ambassador in Serbia, the Russian government itself is not concerned anymore with NATO expansion on the Balkans. Militarily this region is lost for Russia and is considered lost. As early as April 2011, Russian Foreign Minister Sergey Lavrov during his visit to Serbia and Montenegro said that Russia "respects the independent right of any state to decide how to organize its security – that means membership in a military alliance as well."[3] These clear words of the Russian Foreign Minister demonstrated a difference between the Russian perception of potential NATO membership of close neighbors like the Ukraine or Georgia, and NATO membership of distant Balkan countries. The latter might not be welcomed by Russia, but it is not considered a threat. A potential Ukrainian NATO membership, however, would definitely cross a red line.

Short-Term Policy: in the UN We Trust

This calm Russian position does not mean that Russia will stop trying to counter the U.S. and the Western world on the Balkans. The unsolved Kosovo conflict will remain the ace in the hands of Russian gamblers, as Russia will try to preserve this isle of instability in the heart of the Balkans, in the hope of complicating the lives of Western diplomats.

Russia still does not recognize Kosovo, and will certainly not recognize it in the next years. Russian President Vladimir Vladimirovich Putin said on February 2, 2008, "Kosovo's example is a terrible one. It destroys a centuries-old system of international relations and will have unpredictable consequences … Those who recognize the independence of Kosovo do not know what they do. They will be hit back by its results."[4] First Vice Prime

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1   *Obshestvennoe mnenie* 2011, p. 210, http://www.levada.ru/books/obshchestvennoe-mnenie-2011.

2   *Balkansiy Uzel* (Balkan knote), Speech of the Ambassador Alexander Konuzin in Belgrade on June, 27th 2012, http://www.stoletie.ru/slavyanskoe_pole/balkanskij_uzel_334.htm.
3   *Sergey Lavrov vkladivaet v Balkany,* Kommersant 04/20/2011, http://kommersant.ru/doc/1624814.
4   http://lenta.ru/news/2008/02/23/putin/.

Minister Dmitry Medvedev said on February 25, 2008, Russia recognized "Serbia as one state (including Kosovo)."[5]

In such a situation it should not be surprising that Russia – and Vladimir Putin – gain much applause in Serbia, especially among right-wing nationalists. While early this year the newly elected old Russian president Vladimir Putin suffered protests in Moscow, some months ago, the Kosovo Serbian parliament, *Skupsina*, proclaimed him an "honorary citizen" of Kosovo and Metohija.[6] "Russia and personally Vladimir Putin have done more for Serbs in Kosovo than the whole government in Belgrade," Krstimir Pantic, a mayor of Kosovska Mitrovica said. Northern Kosovo is maybe the only region in the world where people buy portraits of Vladimir Putin and display them – voluntarily.

This demonstrative solidarity with Russia and the Russian President is highly important for Russians. After Russia lost most of its former allies and still has not managed to acquire new ones (even the closest ones, like Belorussia, still refuse to recognize the independence of South Ossetia and Abkhazia – leaving Russia alone with Nicaragua, Venezuela, Nauru, Vanuatu and Tuvalu), it is very important for Russians to feel welcome at least in Serbia and in the northern part of Kosovo.

Russia's Serbia and Kosovo policy is not just a part of Russian foreign policy, but also a part of Russian domestic policy. That is why Russia will try to preserve the current situation for as long as possible. The Russian way to do it is the UN way. On September 11, 2012, Russian President Vladimir Putin met his Serbian counterpart President Tomislav Nikolić in the southern Russian city of Sochi. When Vladimir Putin appeared in front of journalists after the meeting, he announced that Russia wanted to see the UN Security Council used as an instrument by which to solve the Kosovo problem. "We have discussed the Balkan and Kosovo issues. We will continue to defend our view of the UN as the ultimate actor in solving this problem,"[7] Putin said.

This appeal to the Security Council is very understandable. As a veto power, Russia can defend its position on Kosovo, which is a strict non-recognition of Kosovo's independence, for an indefinite period. Supported in the Security Council by China, which also refuses to agree to the idea that a region can proclaim its independence and receive support of the Western world, Russia is very comfortable in the Security Council. The Syria conflict has shown what Russia will do when discussions in the Security Council begin and Russian diplomats see a chance to sabotage any action they believe

could improve the U.S. or the EU position. "All Russia does in the UN Security Council – is try to make U.S. Americans angry and to sabotage all the solutions that, as Russia thinks, could improve U.S. positions", these words of a German diplomat, uttered in early October 2012, were supposed to describe the Russian position on Syria, but they are also very easy to apply to Russia's Balkan policy, which often was only dedicated to competition with the U.S. – by all means.

Long-Term Policy: Energy Issues as a Negotiation Table

This sad story of Russian-Western confrontation still has some bright spots. The most promising part of Russian-Western contacts – not only on the Balkans – is the economic part. Russia still requires Western money for its never-satisfied consumer market, and the Western world (in this case Europe) still needs Russian fossil fuel. The Balkans remain a very important region for Russian energy policy, and this could be the most promising starting point for a Russian-European dialog on the Balkans. After completing the Baltic "North Stream" gas route from Russia to Germany with its length of 1,224 km and a maximum volume of 55 billion cubic meters gas supply annually, the next route that should help *Gazprom* to avoid gas transportation through "hostile" countries such as Poland and the Ukraine could be "South Stream", which is planned to deliver gas from Russia across the Black Sea to Europe via the Balkans.

The current plans are to build a land pipeline through Bulgaria, Serbia, Hungary and then Austria. The southern route of "South Stream" is planned to go via Bulgaria and then Greece – to the southern part of Italy.

But these are not all the countries that could be pulled into the Russian energy orbit. On October 1, 2012, Slovenian Foreign Minister Karl Erjavec told the Russian state-owned news agency ITAR-TASS, "Slovenian participation in the South Stream project is the fundamental key to Slovenia's energy security policy."[8] On September 21, 2012, after the President of Republika Srpska had visited the Russian city Sochi, it was announced that the South Stream pipeline might include Republika Srpska too.[9] The President of Republika Srpska Milorad Dodik and *Gazprom* Chairman Alexey Miller signed a paper in Sotchi that foresees the possible construction of a gas lateral from South Stream to Republika Srpska. This would increase security in the region, because Russia is interested in stability around its pipelines – Mr. Dodik said.[10] He added, the pipeline in Republika Srpska would be operated by a Joint Ven-

5 http://www.rbc.ru/rbcfreenews/20080225180428.shtml.
6 http://www.rg.ru/2011/03/16/kosovo-site-anons.html.
7 RBC, "Vladimir Putin: The UN Should Play the First Role in Kosovo Issue", http://www.rbc.ru/rbcfreenews/20120911215858.html.

8 http://www.itar-tass.com/c49/533358.html.
9 South Stream may be laid to Republika Srbska, http://south-stream.info/index.php?id=38&L=1&tx_ttnews[tt_news]=295&cHash=0a328d995f.
10 "South Stream Would Change the Security Situation on Balkans – Head of Republika Srpska", http://www.tehnoprogress.ru/lenta/news138143.html.

ture in which sixty percent will belong to *Gazprom* and fourty percent to the government of Republika Srpska.

This possible investment is not the only Russian activity in the regional energy market. While Russian Foreign Direct Investment in Serbia reached USD 2,5 billion in May 2012, Russian companies gained control over many important branches of the Serbian economy. Russian state-owned *Gazprom* acquired 51% of Serbian oil company NIS for USD 500 million, raising its stake to 56,5%,[11] and the Russian oil company *Lukoil* acquired 79,5% of the Serbian oil company *Beopetrol* for USD 300 million.[12] The *Gazprom*-controlled company *Jugorosgaz* has constructed and operates a gas pipeline Niš-Leskovac, investing USD fifteen million.[13] The Russian metal company UGMK invested USD 35 million in the acquisition and modernization of a pipe production plant in Majdanpek. Russian companies have also invested in the Serbian automotive, tourism and banking industries.

Not the Region Number One

Despite Russian interest in the Balkans, this region will not be the most important region for Russia in the next years. The Balkans really were an open wound in Russian foreign policy in the late 1990s. But since 2007-2008, Georgia has received all the interest of Russian politicians. The so-called August war of 2008 and later conflicts with president Mikhail Saakashvili have turned Georgia into a burning spot on the map of the Russian Foreign Ministry. The current situation in Georgia, where the opposition party "Georgian dream" won parliamentary elections and seems to be ready to start a full-scale offensive against the power legacy of the former Saakashvili-friendly government will receive the full attention of Russian politicians. Georgia is also a much easier and more logical target for President Putin's aggressive rhetoric – his traditional way of getting the support of right-wing Russian voters. Baltic countries and Poland as well remain the next natural targets for Russian "war hawks," leaving the Balkans in the shadow.

Actually, it is good for the Balkans that this region is losing its attraction for Russian hardliners. In this situation, the Balkans have a good chance of improving economic relations with Russia and even of making some steps forward on security issues. Such issues could be for example IT-security, as was proved during the conference "Russia-Balkans, Conference on Trust, Privacy and Security in Digital Business," which was held in Montenegro in November 2011.[14] The partici-

pants in this conference were authorities and IT-companies from Russia (including the Russian Interior Ministry), Montenegro, Bosnia and Herzegovina, Croatia, Bulgaria and Albania.

Last but not least: The EU enlargement process on the Balkans is considered to be a quite Russia-friendly process in Russia. The EU is considered to be an economic union first of all, and an expansion of an economic union means growing prices for already purchased Russian real estate in the region, the enlargement of the Schengen area, more economic growth etc. It is not considered a military enlargement (which would be considered a threat to Russia's security). This activity can also be a foundation for cooperation with Russia on the Balkans.

Conclusion: Russian Interests on the Balkans are Limited, But Still Strong

Russian relations with the Balkans have a long history, predominated by feelings of spiritual, ethnic and political brotherhood. In the 1990s, Russia considered the NATO operations in the former Yugoslavia a direct threat to Russian interests and an insult. In the 2010s, the situation has changed a little. Russia still wants to preserve special relations with Serbia and tries to act as the ultimate protector of Serbs (this also means a strong Russian position of non-recognition of Kosovo). But the NATO membership of other Balkan countries is not a problem for Russia any more. Russian activities on the Balkans are now predominated by economic interests and led by energy companies. *Gazprom* and *Lukoil* are still the most effective Russian ambassadors on the Balkans.

The Balkans are no longer the most important region for Russian foreign policy. Other problems – such as the conflict with Georgia – have become much more important. This does not mean that Russia will leave the Balkans – but it makes Russia a calmer and friendlier partner on the Balkans and offers a chance for improvements in economic and even political relations.

Economic security and energy security can become the new foundation for cooperative European-Russian relations on the Balkans. New transport routes, highways, railroads and pipelines can make the region safer and more secure than ever in its history. Such a development will not face any objections from Russia.

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[11] http://www.gazprom-neft.ru/press-center/news/117125/.
[12] Reuters: „Serbs, Russia Initial Soviet Era Debt Deal", http://uk.reuters.com/article/2006/12/13/serbia-russia-debt-idUKL1 319514120061213?sp=true.
[13] http://voiceofserbia.org/de/content/gaspipeline-nis-–-leskovac-wur de-betrieb-genommen.
[14] http://www.mvd.ru/news/show_98781/.

REGIONAL IDEAS FOR INCREASED COOPERATION BETWEEN SEE COUNTRIES AND EXTERNAL ACTORS

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Perceptions and Expectations from External Actors

In the latest Gallup Balkan Monitor the question: "Do you approve or disapprove of the job performance of the leadership of the following countries?" was posed. The results indicate people's perceptions. Having in mind the recent history of Southeast Europe (SEE) it is not surprising to see that people in the region have different views toward external actors. In some places, perceptions are more "Western friendly," others are "Eastern friendly," and there are some that are in the middle. The results are summarized in Table 1 below.

Table 1. Level of approval of leadership of external actors in SEE countries in 2011[1]

		USA	GER	RUS	CHN
Western positive	KOS	87	88	6.1	7.4
	ALB	80.2	67.4	34.8	39.3
More west than east, but does it matter?	MKD	44.1	42	33.2	30.6
	BIH	30.9	48.2	39.6	32.1
	CRO	20.3	41.3	13.8	15
Eastern positive	MNE	26.4	35.1	48.8	41.8
	SRB	20.4	35.1	51.6	47.5

The results show that people in Kosovo and Albania are more positive about the leadership of the U.S. and Germany, while people in Serbia and Montenegro tend to be more positive about the leadership in Russia and China. Croatia, Macedonia, and Bosnia and Herzegovina are in the middle. People in these countries are positive about U.S. and German leadership, but also have favorable opinions of Russian leadership. In Croatia and Bosnia, German leadership is seen more favorably than U.S. leadership. At the same time, people in Macedonia and Bosnia and Herzegovina have somewhat favorable opinions of Russian leadership. Thus, the picture is far from black and white.

The results further show people's inclination towards external actors. One should bear in mind that such perceptions are neither given nor stable. Rather, they are a result of how the roles of external actors are interpreted and the symbolism that the external actors carry. Notwithstanding the fact that EU and Turkey were not included in the opinion poll, I will try to shortly outline how each of the external actors is seen across the SEE region.

[1] Fore more details see Gallup Balkan Monitor data. Available at http://www.balkan-monitor.eu.

- U.S.: Pacifier. Arguably the U.S. took decisive leadership in settling the inter-ethnic conflicts in SEE. The U.S. role in Kosovo resonates most strongly, as it was the latest intervention. No one doubts the U.S. capacity for maintaining peace and stability, if and when needed. However, since it is less willing to engage in SEE, it is seen more as a guardian than as an active actor. The U.S. is expected to act in time of crisis, to point to democratic deficits, but not to push reforms strongly.

- Germany: Strong economy. Germany is among the main trading partners of SEE countries. It is also widely seen as the main economy within the EU. Even though German involvement is not equally spread across the region, there is a shared expectation that SEE countries can gain from the German banking sector and industries.

- The EU: Promised future and bedazzled reality. Membership in the EU is a strategic goal for all SEE countries. The EU is the main symbol for improved quality of life. Notwithstanding the problems in the Eurozone and the lack of enthusiasm for enlargement, there is no other credible alternative to membership in the EU. The EU is expected to admit all SEE countries and to aid their reforms in meeting the membership criteria.

- Turkey: Old newcomer. With changes in its foreign policy, Turkey is a newcomer as an external actor in SEE. Turkey's presence ranges from a deep-seated culture and traditions from the Ottoman past to popular TV series. Expectations are mixed. On the one side, there are expectations from the dynamic Turkish economy, and on the other side, there are fears that more Turkish involvement in SEE empowers Islamic communities.

- Russia: Eastern promise. With the exception of Serbia, Russia is not strongly involved in SEE countries. Cultural similarities with parts of SEE are acknowledged, as well as potentials with energy resources. Increasingly, Russia is expected to serve as an alternative role model for building a governance regime, and, perhaps in the future, for capital inflow.

What Do SEE Countries Need from External Actors?

The countries in the SEE region are in transformation. The process of transition toward democracy is complete. Democratic institutions and the basis for market economies are in place. How well they function is another issue. The consolidation of democracy remains to be completed. Currently, it seems that democratization efforts are in a perpetual stagnation across the region.

In Graph 1, the democracy scores from Freedom House's "Nation in Transit" report are plotted. The scores range from 1 to 7. A higher score denotes problems with the functioning of democracy. In general scores from 1 to 3 mean a consolidated democracy, 3 to 5 are semi-consolidated democracies and hybrid regimes and 5 to 7 are autocratic regimes. SEE countries have ranged between 3.5 and 4.5 on this scale in the last ten years.

Graph 1. Democratization scores for SEE countries from Freedom House, 2003 – 2012[2]

SEE Freedom House Democratization Scores
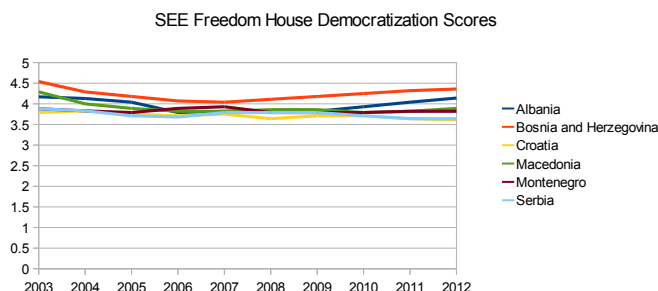
A full size graph is attached to this paper.

To move out of the limbo, countries from SEE need two things: a normative paradigm and capital for socio-economic development. A normative paradigm provides the basis for aspiration, values, the system of governance and the type of regime. Capital is necessary for development. Mainly the EU and U.S. have supplied both. The normative paradigm was democracy and the market economy, and most of the capital was from Western investors and EU or U.S. funds.

However, investments shrunk after the global financial crisis and problems in the Eurozone. EU funds from the Instrument for Pre-Accession (IPA) are under-utilized. They remain too little and difficult to get at. U.S. funds were mainly geared to institution building. In such a situation, SEE countries become open for various options. For example, to attract foreign investment, the Prime Minister of Macedonia visited Japan, Singapore, China, Malaysia and Qatar, while the President visited Kazakhstan. In the absence of capital, SEE countries may start looking not only to new destinations, but also to new options. For example, becoming new tax and bank havens.

The normative paradigm of democracy and a market economy is in the process of reconsideration. There is a strong rise of an alternative paradigm. The Russian governance model of Vladimir Putin, or the one of Turkish Prime Minister Tayyip Erdogan seem more and more interesting. It is a model of a strong man in charge. This model has been emulated, to varying de-

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2   For more details see Freedom House, "Nation in Transit" report, available at http://www.freedomhouse.org/report-types/nations-transit.

grees, across the SEE region. Authoritarian practices are exercised through a façade of the rule of law. Populism and nationalism are the main forces for political mobilization. People accept such practices for the promise of socio-economic improvement, growth and employment. In reality, they get an oligarchy closely tied with the ruling political class, while the economy becomes more state run. The state is not only the regulator and manager, but also the main investor and job creator.

Hence, the involvement of external actors is not only a product of the actors' interests and policies. The SEE countries also play a role with regards to what they expect and what they take from external actors.

Converging and Diverging Interests of External Actors

The absence of violence and the promotion of stability in SEE are common interest for all external actors. Economic gain is another interest that all actors share. On the other hand, the priorities of external actors are different. The U.S. is primarily interested in the stability of the SEE region. The EU is probably even more interested in stability, but the situation in SEE also has implications for the credibility of the EU. The SEE region remains the crucial test for the EU's foreign policy potential, as it is the most likely case where the EU can wield its political power. Russia's priorities lie in trade and gas, while Turkey sees the SEE region as an entrepreneur. For Turkey, the SEE region provides a possibility to show itself as a new foreign policy actor and to explore investment possibilities.

There is much to be said about diverging interest and support that external actors give to countries or ethnic groups within SEE countries. But here I want to point out a couple of other divergences that remain overlooked.

The first divergence is between the EU and the U.S., or better said between the EU enlargement vs. the democratization process. Usually, it is assumed that both are parts of the same parcel. However, due to the weakness of the EU and the lack of enlargement enthusiasm, there is a willingness in Brussels to overlook the lack of reforms for the sake of moving the enlargement forward. This is certainly a worthy endeavor, however, the consequences are unclear. For example, it is unclear whether positive comments and EU support will translate into rule of law and judiciary reforms in Montenegro or to improving media freedoms in Macedonia. On the other hand, the U.S. supports the enlargement process, but seems less willing to overlook the downgrading of democratic reforms. In light of the EU country reports, published at the beginning of October 2012, one should also read the State Department country reports to assess how wide the gap is between enlargement and democratization. Greater overlap in the assessment would signify a strong joint external push for enlargement and democratization.

The second divergence is between Turkey and Russia. To some extent their leverage in the SEE region is based on tradition and cultural similarities. On the basis of religion they are mutually exclusive. Turkey's involvement is identified with the support for Islam, and Russia with support for Orthodox Christianity. If such divergence increases it can exacerbate existing differences in the region and lead to a rise of tensions. The cultural similarities play a role on the symbolic and the political level. However, when it comes to economic cooperation, all actors are on a level playing field. The cultural and symbolic leverage should not be underestimated, but it is clearly limited and secondary to economic interests.

Possibilities for External Actors

External actors can support the SEE region by acting, but also by refraining from certain actions. For example, the discussion whether multiculturalism can succeed in Western Europe cannot be transferred to the SEE region. Denouncing multiculturalism in the West can have negative consequences in the East. The SEE region is multicultural, multilingual and multireligious. Most of the diversity is homegrown, not imported through migration. Democratization is a process, among other things, of building and maintaining power sharing instruments. In SEE this implies the inclusion of minorities, and mainly ethnic minorities since the ethnic identity is the main pillar of political mobilization. The SEE region needs more external support for respecting diversity and building tolerance.

One-sided unilateral involvement in delicate interethnic issues can be negative for the stability of the region. External actors should have greater understanding for the complexity of open issues, regarding statehood and inter-ethnic relations. There are multiple views to be taken into consideration when dealing with such issues. Lasting solutions can be found only through dialogue and compromise. In contrast to that, one-sided external support is often used to empower radical positions and to set impediments to compromise.

The latest EU enlargement strategy points to reconciliation and regional cooperation as areas where increased cooperation could be useful. Concerning reconciliation, the experience of France and Germany has been cited numerous times as a possible model for SEE countries. It is also a positive model for building a stable security architecture. Even though efforts have been made to spread the information of the French-German reconciliation, concrete activities are still lagging behind. The reconciliation between Croatia and Serbia can potentially be used to transfer and utilize the positive experiences. The reconciliation process can even be strengthened, if in the attempt Germany acts as a sponsor or tutor for Croatia, and France plays the same role for Serbia. Hence, the reconciliation activities would not be done

only bilaterally between Serbia and Croatia, but within a quartet Serbia-France and Croatia-Germany.

Increasing regional security cooperation would also aid the process of reconciliation. If there is closer security cooperation on the highest political level, for example in the framework of the SEE Cooperation Process (SEECP), then relations between neighbors will improve. In such an event, it is very likely that people will not consider that neighbors are hostile toward them. SEECP is the right place to strive for that. Turkey is part of the SEECP and the forum envisages increasing regional security cooperation. If the SEECP can work toward adopting a common security strategy, this would be a significant step toward building a stable security architecture in SEE region. The EU and U.S. should fully be involved in this process to make it happen.

Rule of law is another area where increased regional cooperation contributes to improving regional stability. There are several existing initiatives (e.g. Southeast European Cooperative Initiative (SECI)/Southeast European Law Enforcement Center (SELEC), Regional Anti-Corruption Initiative (RAI)) and regular meetings between various officials from SEE countries. Perhaps the moment is ripe to introduce an SEE common arrest warrant, following the EU example. The experience of the EU and member states can be used to facilitate the process. In addition, external actors – principally the EU and U.S. – should push SEE countries to eliminate all impediments and barriers in cases of extradition.

Concerning the other external actors, it would be less of a challenge to incorporate Turkey in the SEE security architecture. Turkey is member of NATO, SEECP and candidate for membership in the EU. The EU enlargement strategy puts emphasis on the dynamism of the Turkish economy and the contribution to energy security. Both can be utilized in the SEE accession processes to the benefit of all. In addition, the EU has established a political dialogue between Turkey and the EU on foreign and security policy in the Western Balkans. Hence, Turkey is acknowledged and fully included as external actor in the security architecture in SEE. But having in mind recent developments between Syria and Turkey, it is very likely that the priorities of Turkey will be more oriented toward the Middle East. Notwithstanding, Turkey will remain a positive poster child for moderate and secular Islam; features that are shared with most of the Islamic communities in various SEE countries. And this is something that resonates strongly and has support across SEE.

A greater challenge would be to incorporate Russia in the security architecture. If there is no democratization in Russia, "Putinization" will remain an alternative governance model for SEE countries. Russia's "Putinization" as a normative paradigm has the strongest influence in SEE.

Additionally, if there is capital inflow from Russia, it would increase Russia's presence and influence. It would also support the "Putinization" of the region. There would be a stalemate between democratic reforms and one-man rule, and authoritarian practices will increase. The only positive effects of such developments would be socio-economic improvements. However, with the current widespread corruption, this option seems highly unlikely. It is more likely that a small elite will benefit. Nevertheless, increasing trade and economic cooperation will intertwine the interests of Russia and SEE. It will also support the joint interests for stability in the region and absence of violence.

Graph 1. Democratization scores for SEE countries from Freedom House, 2003 – 2012

SEE Freedom House Democratization Scores
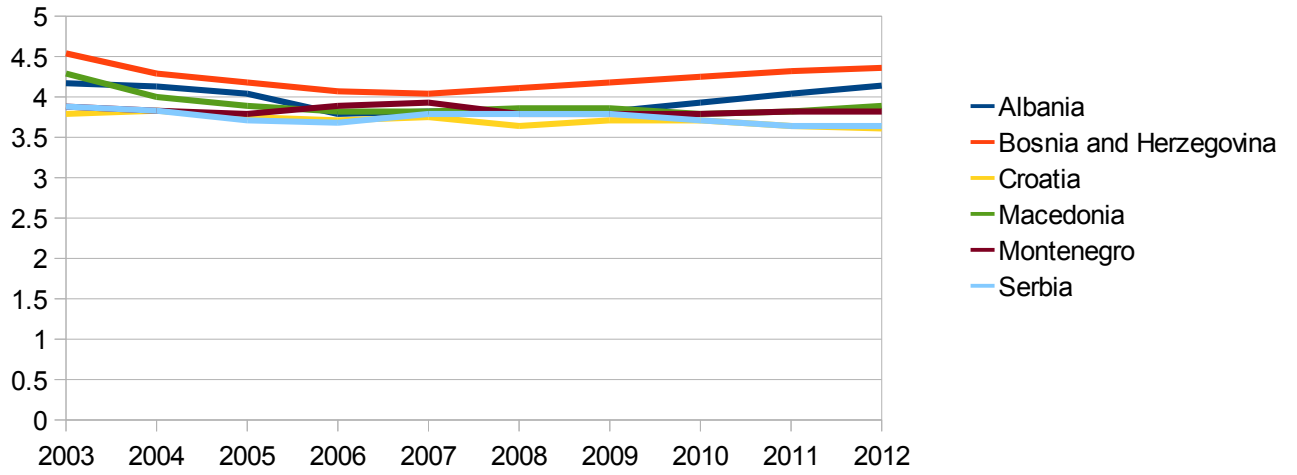
TURKEY, THE EUROPEAN UNION AND THE UNITED STATES

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Due to the absence of an external threat, the security issues facing the Balkans arise largely from domestic problems. Countries of the region face many challenges, including, corruption, organized crime, poverty and ethnic conflicts.

After the successful 2004 enlargement wave, the EU lived through a very problematic eight years. First, it dealt with the most problematic of the EU candidates and then came the constitutional debates and finally the Eurozone crisis all of which created euroscepticism not only in the eyes of the new member states but also in those expecting candidacy in the Balkans. The EU enlargement process is mainly concentrated on the Western Balkans, but with little credibility and effectiveness. The decline of European soft power in the Balkans created a power vacuum in the Balkans. Turkey, putting in an excellent performance, has illustrated its capacity to contribute to the peace and stability of the region. On the other hand, Turkey's ability to fill the EU's shoes became a highly controversial topic. So far, Turkey has done nothing but add to the ongoing EU engagement.

Undoubtedly, Turkey is recognized as an important actor in the Balkans. From the coming to power of the AKP government in 2002 until this day, high growth rates and economic dynamism have changed Turkey's foreign policy. The country moved from a security-oriented policy to a commerce-oriented policy, and its scope moved from distant partners to the close neighborhood. Turkey's growing influence in the Balkans complemented by the search for a credible alternative to EU enlargement, made the emergence of a non-aligned commerce-based soft power strategy possible. In the last ten years Turkey, pursued an increasingly non-aligned strategy, and, contrary to what is believed, it has done this by benefiting to a minimum from its historical and friendly ties with the Balkan countries – the most important Turkish investments in the region are all in Serbia. A Free Trade Agreement (FTA) was signed between the two countries, *Turkcell* is a major shareholder of *Telekom Srbija*; Turkish construction companies won a tender to build a 445-kilometer-long highway in the country, linking Belgrade with Bar in Montenegro; and there is an ongoing negotiation between the Serbian authorities and Turkish Airlines to buy JAT Airways.

However, all signs point to the end of the upward trend. Turkey may have come to the end of its decade-long economic miracle, as it is obvious that the growth rate of Turkey will no longer be eight to nine percent p.a. but may fall to two percent, undermining its ability to maintain a commercially driven foreign policy towards the Balkans. Doubled with Turkey's own security problems at home, it is likely that Turkey will turn back to its traditional Western partners to fill the vacuum in its foreign policy. An effective Turkish strategy would be

the establishment of a common Balkan policy with other external actors. The emergence of a common Turkey-EU-U.S. strategy is one of the most rational alternatives. Other than a few exceptions, the Balkan policies of Turkey, the U.S. and the EU have always been parallel. Since the founding of the Republic, the Turkish state has always shared the same security vision with the EU and the U.S. for the Balkans, believing in the value of cooperation between external actors to find solutions for the problems, therefore calling for stability, prosperity, and compatible peace and democracy in the region.

Although under present circumstances it seems unlikely that we will see a "Balkan Spring," the aftershocks of the "Arab Spring" still continue. Lessons learned from the history of the region tell us that conflict is inevitable when the power vacuum is not filled by any of the strong powers in the region (compare for example the Balkan war after the Ottoman setback, the dissolution of Yugoslavia after its weakening). Given the fact that the EU mechanisms (ESDP, EU membership prospect etc.) have proved to be ineffective in promoting stability, democracy and peace in the region, alternatives should be considered. In such a case, leaving out Turkey would be a mistake. The EU and the U.S. are already discussing foreign policy issues at annual summits. Some of the issues relating to the Balkans are: organized crime, corruption, crisis management, justice and energy. Turkey should be invited to join the discussions between the EU and the U.S. and the three external actors should discuss steps that can be taken together in the Balkans, and thereby build a basis for renewed partnership for cooperation on bigger geopolitical challenges.

Turkey's relations with the European Union are at a nadir. The last time Turkey and the EU opened talks on a negotiating chapter was in July 2010. Since then, Turkey's accession talks have been stalled, which, however, does not mean that cooperation on regional issues is beyond consideration. Both Turkey and the EU need each other for the reasons mentioned above.

Similar to Turkey-EU relations, the Mavi Marmara incident in 2010 and the UN's Palmer report in 2011, which justified Israel's blockade, marked low-points in Turkey-U.S. relations. Relations between the two countries face a crisis each year on April 24, Armenian Remembrance day, which strains bilateral relations. From time to time, there are attempts at rapprochement, the latest by Obama who acknowledged Prime Minister Erdoğan as one of the five world leaders with whom he has established trust-based relations. Despite all the ups and downs, Turkish-U.S. relations have the capacity to share common goals and permit common action in places where there are common U.S.-Turkish interests, such as, for example, the Balkans.

There are some very obvious foreign policy failures of the EU and the U.S. regarding regional policies, which will be evaluated here. From 2006 onwards there have been continuous efforts to bring the international community and the entities around the table to agree on constitutional reforms in Bosnia and Herzegovina. None of these efforts had a successful outcome. The U.S.-EU led initiative dubbed the 'Butmir Talks,' aimed at transforming Bosnia into a more functional state, ended up without any concrete result. Despite Turkey's demands to participate as a mediator in the Butmir Talks, it was not invited to the meetings. As a result, Turkish Foreign Minister Ahmet Davutoğlu conducted his well known Balkan strategy that has been maintained until recently. Out of the loop, Turkey conducted a threefold strategy, which includes local (reinforcing dialogue between constitutional people of the country), regional (bringing Bosnia and its neighbors Croatia and Serbia closer), and finally international (lobbying for Bosnia on the international level) levels of diplomacy.

In recent years, Bosnia has suffered significantly from the miscalculated policies of the U.S. and the EU. In Bosnia, both the EU and the U.S. are far from the interventionist policies of the previous years. Especially the EU assumed the role of a consultant. The top-down interventionist policies of the high representative defined in the 'Bonn Powers' have been replaced with more smooth and guiding policies. This started with the entry of Christian Schwarz-Schilling as High Representative and his commitment to a "hands off" policy coupled with the lack of interest/fatigue of some EU countries (France, Germany, Italy) in BiH, while the U.S., the UK, Canada, Japan and the Dutch think the Bonn Powers are still needed.

It is also important to mention another factor leading to a change in EU and U.S. policies, which is the decision of the Parliamentary Assembly of the Council of Europe in 2004 to strengthen the democratic institutions in Bosnia and Herzegovina. The Council asked the Venice Commission, which acts as an advisory body to the EU in constitutional issues, to prepare a report regarding constitutional problems in Bosnia and Herzegovina. The Venice Commission report emphasized that external interventions were diametrically opposed to the attempts to create a democratic structure and the efforts for the independence of Bosnia-Herzegovina. Following the 2005 report of the Venice Commission, the international community changed its attitude towards Bosnia-Herzegovina for the sake of the functioning of democratic institutions. From that time on, the U.S. and the EU reduced their repressive methods in the enforcement of the necessary reforms. As a result, the EU and NATO membership goals remained the only motivating factor for Bosnia-Herzegovina and people were expected to move in this direction with their own consent. The situation is best described by the 'policy brief' of the 'Democratization Policy Council,' in which the attitude of the international community is described as: 'The international approach to Bosnia remains based on the assumption that, given the right incentives, the

country's ethnocrats will transform into agents of change and eagerly undertake the reforms required to join the EU. This was always shortsighted, and ought to be thoroughly discredited, given Bosnia's five-year downward spiral.'

As the reform efforts under the leadership of the EU have been a disappointment, the role that the United States can play in the search for a new solution for Bosnia and Herzegovina can provide significant benefits. The traditional interventionist policy of the United States can be an alternative to the EU's role as a negotiator and an advisor. However, the re-emergence of the U.S. as an effective actor in the country could lead to some negative results such as the launching of EU-U.S. competition. Moreover, a poorly planned U.S. political and military presence in Bosnia has the potential to provoke ethnic conflicts. If there will be a new and more active U.S. strategy in the region (other than letting the EU determine the strategy) it can be expected to sharpen the different policy opinions within the EU as there is no consensus within the EU regarding a Bosnia policy.

Despite all attempts, the EU is still far from having a united foreign policy. EU officials, all holding different views on Bosnia policies, negatively affect both the enlargement process and European Security and Defense Policy. The differences in opinion are crystallized in the necessity of constitutional reforms and the presence of the post of High Representative. A disunited EU regarding the reforms in Bosnia and Herzegovina plays into the hands of reform opponents in the country. The United Kingdom in particular may follow a policy closer to the U.S. particularly on the issue of the closure of the Office of the High Representative, the United Kingdom advocates the continuation of the post, which is in line with the present policy of the U.S. The United States should share the burden with the EU by introducing its own carrots and sticks to the region. In this respect, however, the U.S. should not go into a leadership race and push the EU to the back rows, but share responsibility with them. On the other hand, the EU's insistence on the approval of reform laws by the Bosnian Assembly, made Bosnia fall behind its neighbors. Bosnia is likely to be left as the only country in the Balkans failing to comply with the EU candidacy requirements, as Serbia and Albania are likely to gain candidacy status in the near future.

In conclusion, for many years Turkey has been conducting an effective diplomacy in the Balkans. The secret of its success lies mainly in a booming economy. However, all signs point to the end of the upward trend and everywhere in the world there is a return to hard power policies, which Turkey has little chance to keep up with. It is in the hands of the U.S. and EU whether to include or not include Turkey in their further security policies regarding the Balkans. One way or another, Turkey has

proven its ability to conduct an independent policy in the Balkans.

ORGANIZED CRIME AS A SECURITY CHALLENGE IN SOUTHEAST EUROPE

May 30 - June 02, 2013 | Budva

In cooperation with:

Montenegro
Ministry of Foreign Affairs
and European Integration

Stabilitätspakt für Südosteuropa
Gefördert durch Deutschland
Stability Pact for South Eastern Europe
Sponsored by Germany

Auswärtiges Amt

Accommodation and conference venue: Splendid Conference & SPA Resort, 85315 Becici, Tel. +382 33 773 444

May 30, 2013

During the day, arrival of participants, transfer to the hotel organized by the Ministry of Foreign Affairs and European Integration of Montenegro

19:00   Departure to welcome dinner in front of the hotel

19:30   Drinks reception and welcome dinner hosted by Aleksandar Andrija Pejović, State Secretary for European Integration, Ministry of Foreign Affairs and European Integration of Montenegro, and Charles King Mallory IV, Executive Director, The Aspen Institute Germany
Venue: Budva Citadel

May 31, 2013

09:00 – 09:30   **Official Opening of the Conference**
Venue: Conference room Balsic (Hall of Dynasties, 3rd floor)
Welcome Remarks: Charles King Mallory IV, Executive Director, The Aspen Institute Germany
Opening Speech: Aleksandar Andrija Pejović, State Secretary for European Integration, Ministry of Foreign Affairs and European Integration of Montenegro

09:30 – 11:00   **Session I:**
Social, Economic and Security Implications of Organized Crime Today

Organized crime is, along with terrorism, often considered a serious non-traditional security threat today. The first session will therefore try to assess its concrete security implications in Southeast Europe, the EU, Turkey and Russia. What are the biggest threats posed by organized crime to our security? Which forms of organized crime are the most threatening to our societies? Is there sufficient awareness of the threat posed by organized crime or do we even worry too much? How dangerous are organized crime structures for the relatively young states in the Western Balkans? What can their impact be on a future security architecture in Southeast Europe? What are the social and economic implications of organized crime in Southeast Europe?

Moderator: Sonja Licht
Introductions: Ioannis Michaletos, *Organized Crime as an Integral Part of Societal, Economic and Political Life in Southeast Europe*
Valbona Zeneli, *Organized Crime and Corruption Hinder Economic Development in SEE*
Expert Opinion: Helge Tolksdorf

11:00 – 11:30	Coffee Break

11:30 – 13:00   **Session II:**
Identifying Common Strategies in the Fight Against Drug Trafficking

The focus of this session will lie on drug trafficking and its security implications. How are Southeast European countries affected by drug trafficking? How relevant are the so-called 'Balkan routes' for heroin trafficking from Afghanistan today? Are there security implications for the Southeast European countries arising from the troop withdrawal from Afghanistan? The joint EUROPOL and European Monitoring Centre for Drugs and Drug Addiction 'EU Drug Markets Report' identifies a diversification of both, trafficking routes and trafficking goods. What are the implications of this development for Southeast European countries? At the same time, the U.S. and the EU are the most profitable markets for drugs, and EU member states are among the main producing countries of synthetic drugs. Is there a need for a more comprehensive Euro-Atlantic or even global approach? Are existing institutional structures and policies sufficient or is there a need for new frameworks and/or policies? Could further integration of Southeast European countries into EU structures such as EUROPOL be helpful in this regard? What other options are there to more successfully tackling this common problem?

Moderator:	Charles King Mallory IV
Introductions:	Peter Eitel, *Identifying Common Strategies in the Fight against Drug Trafficking - Towards New Policies and Frameworks?*
	Almir Maljević*, Fight Against Drug Trafficking and Organized Crime – What is Missing in the Knowledge Puzzle?*
Expert Opinion:	Tullio Santini
	Ekaterina Stepanova

13:00 – 14:30	Lunch
14:45	Departure in front of the hotel
15:30 – 18:00	Boat trip through the Bay of Kotor and reception at the invitation of H.E. Sue K. Brown, Ambassador of the United States of America to Montenegro
18:00 – 19:00	Guided Tour through the Old Town of Kotor
19:30	Dinner in Restaurant Galion

June 01, 2013

09:00 – 10:30   **Session III:**
Regional Integration as a Tool of Fighting Organized Crime?

Organized crime is often characterized as a transnational crime that can only suffi-
ciently be fought by international initiatives and common actions. In light of the long
process of EU integration and the importance the EU places on regional integration,
could closer regional integration help candidate and potential candidate countries in
fighting organized crime and, at the same time, potentially support each other in ful-
filling membership criteria in these areas? What are the biggest obstacles to further
regional integration in the areas of justice, police cooperation, border control, judicial
cooperation etc.? Is there a lack of trust between the countries of the region? Could
Turkey play a bigger role in regional frameworks? What would be the most important
issues for further regional cooperation and integration? How can cooperation be im-
proved?

Moderator: Valery Perry
Introductions: Oğuzhan Ömer Demir, *Turkey's Role in the Fight against Trans-
national Organized Crime in SEE: Challenges and Opportunities*
Panos Kostakos, *What Does the Public Think about Organized
Crime? Frames, Perceptions and Implications for the EU's
Strategy in SEE*
Expert Opinion: Dejan Radusinović

10:30 – 11:00   Coffee Break

11:00 – 11:30   Discussion with Svetlana Rajković, Deputy Minister of Justice, Member of the Ne-
gotiating Group for Chapters 23 and 24, Ministry of Justice of Montenegro

11:30 – 13:00	**Session IV:**
	EU Integration as a Key to Fighting Organized Crime?

Based on its experiences in previous accession procedures, the European Commission has established a new approach to two central chapters of the EU *Acquis Communautaire*, chapters 23 and 24, covering the areas of fundamental freedoms, judiciary, fight against corruption and organized crime, which will now be opened in the beginning of accession negotiations. What are the biggest challenges for candidate and potential candidate countries in making progress in these areas? Does the EU and its member states support countries sufficiently in their efforts? How can cooperation be improved? What kind of further support would aspirant countries like to receive from the EU? What do the EU and EU member states expect from regional governments? Which role can civil society organizations play in this context?

Moderator:	Joachim Bertele
Introductions:	Daniela Irrera, *The EU and the Western Balkans in the Fight Against Corruption and Organized Crime*

13:00 – 14:00	Lunch
14:30	Departure for excursion in front of the hotel (Mausoleum Lovćen, Centinje, traditional Montenegrin Dinner hosted by the Mayor of Cetinje, Aleksandar Bogdanović)

June 02, 2013

Departure of participants during the day, transportation to the airport by the Ministry of Foreign Affairs and European Integration of Montenegro

Bertele, Joachim

Brown, Sue K.

Demir, Oğuzhan Ömer

Dimovski, Viktor

Drobnič, Mitja

Eitel, Peter

Fischer, Pius

Gagović, Dragan

Irrera, Daniela

Jackson, David

Kolykhalova, Ekaterina

Kostakos, Panos

Licht, Sonja

Maljević, Almir

Michaletos, Ioannis

Mihatov, Petar

Nikitin, Alexander

Önsoy, Murat

Pejanović, Dragan

Pejović, Aleksandar Andrija

Perry, Valery

Pilić, Igor

Pomeroy, Alexandra

Radović, Snežana

Radu, Paul

Radusinović, Dejan

Rajković, Svetlana

Ratzel, Max-Peter

Reichel, Ernst

Retzlaff, Christoph

Samofalov, Konstantin

Santini, Tullio

Stepanova, Ekaterina

Tolksdorf, Helge

Travner, Anton

Zeneli, Valbona

Aspen Institute Germany

Mallory IV, Charles King
Executive Director

Esch, Valeska
Senior Program Officer

Kabus, Juliane
Program Assistant

PARTICIPANT BIOGRAPHIES

Joachim Bertele

Joachim Bertele is Deputy Head of Division 212 Bilateral Relations to the Countries of Central, Southeastern and Eastern Europe, Southern Caucasus and Central Asiain the German Federal Chancellery. He is a diplomat of the German Foreign Office with earlier postings in Paris (Cabinet of then Prime Minister Fillon and the German Embassy), South Korea, the Foreign Office (desk officer Serbia, Montenegro 1999-2001) and the Federal Chancellery. He studied law in Konstanz, Geneva, Leuven and Freiburg. He received a Master of Law from Cambridge and a PhD from Freiburg. Dr. Bertele is married and has two children.

Sue K. Brown

U.S. Ambassador to Montenegro Sue K. Brown had the honor to present her credentials to the President of Montenegro Filip Vujanović on Thursday, May 12, 2011. Ambassador Brown was previously sworn in as Ambassador to Montenegro in a ceremony at the U.S. State Department in Washington, D.C. on April 27, 2011. Ambassador Brown is a career member of the Senior Foreign Service with the rank of Minister Counselor. A native of Texas, she joined the U.S. Foreign Service in 1980. She has served since 2009 as Office Director for Southern African Affairs in the Bureau of African Affairs in the U.S. Department of State. Previously, Ambassador Brown served as Deputy Chief of Mission at the U.S. Embassies in Accra, Ghana and Asmara, Eritrea. Her other overseas postings include Indonesia, France, Liberia, Kenya, Nigeria and Cote d'Ivoire. She is the mother of five children.

Oğuzhan Ömer Demir

Öğuzhan Ömer Demir is an Associate Professor of Sociology, a faculty member, and currently the Head of the Department of Border Crossings at the Faculty of Security Sciences at the Turkish National Police Academy. He also works for the International Center for Terrorism and Transnational Crime (UTSAM), which is the only research entity specifically studying transnational organized crime in Turkey. He holds MA and PhD degrees from the School of Criminal Justice of Rutgers, the State University of New Jersey, USA. Mr. Demir was involved in various research projects on migration, human trafficking, and terrorism. He has published three co-edited books related to organized crime. He is the author of numerous articles, and co-author of a recent book titled "Illegal Immigrants in the Corridor of Turkey." His research interests include transnational crime, organized crime, migration, human smuggling, human trafficking, and other specific types of smuggling.

Viktor Dimovski

Viktor Dimovski is currently an Ambassador at the Macedonian Ministry of Foreign Affairs. Previously he served as Director of the Intelligence Agency of Macedonia. Further he held positions as Ambassador to the State of Israel, and Serbia and Montenegro. Mr. Dimovski holds an MSc. from the Institute for Sociological, Political and Juridical Research at the University "St. Cyril and Methodius" in Skopje, where he is also pursing a Ph.D. degree. He is fluent in English and French.

Peter Eitel

Peter Eitel is Chief Operating Officer (COO) of the German Institute for Democracy, Development and Security (DIDES) an advisory think tank with offices in Berlin, Brussels, Hamburg and Munich. His work focuses on the strategic and operational transformation of the security sector. Mr. Eitel is a Fellow of the Institute of Strategic Future Analyses of the Carl-Friedrich-von Weizsäcker Society. He holds a BA in History and Political Science and an MSc in Global Security from Cranfield University/Defence Academy of the United Kingdom. He lived and worked in Central America and Africa, where he developed his interest in non-traditional security threats.

Dragan Gagović

Dragan Gagović is a law enforcement expert, who worked in the Montenegrin police force for almost two decades on homicide, intelligence analysis, organized crime, and joint international investigations into international organized criminal groups of drug smugglers. Since his retirement, he serves as an instructor in the training and the creation of the Montenegrin team who will be engaged in the development of a regional risk analysis within the framework of the Convention on Police Cooperation in Southeast Europe. Further, he is engaged with the Dutch Government in the project "Threat assessment of influences of Balkan organized crime to Dutch society". Mr. Gagović holds a Master's Degree from the Faculty for Political Science in Sarajevo and a sociology professorship.

Daniela Irrera

Daniela Irrera is Assistant Professor of Political Science at the University of Catania, where she teaches International Politics and Global Civil Society. She holds a PhD in International Relations from the University of Catania. Ms. Irrera has been a Research Assistant at the Stony Brook University, New York (2002); a Visiting Fellow at the Clinton Institute for American Studies, University College Dublin, Ireland (2007); a Fulbright Alumni of the Study of the United States Institute on National Security of the U.S. Department of State, (University of Delaware, January-February, 2009); a Visiting Fellow at the Université Libre de Bruxelles (2009); and a Visiting Fellow at the Department of Sociology and at the Extra-Legal Governance Institute of the University of Oxford (2012). She is currently a member of the Adjunct Faculty in Politics at the Arcadia University at Syracuse and of the executive committee of the European Consortium for Political Research Standing Group on organized crime. She has published in the areas of International Relations and EU politics, global terrorism, transnational organized crime, civil society and humanitarian affairs. Website: danielairrera.wordpress.com

David Jackson

David Jackson is a PhD candidate at the Social Science Research Center Berlin and the Berlin Graduate School for Transnational Studies. His dissertation, for which he received a scholarship from the Fritz Thyssen Stiftung, deals with the emergence of clientelism in Kosovo under conditions of internationally-led democratization. Mr. Jackson's further research interests include EU external relations, governance in areas of limited statehood, and ethnic and race relations. He has worked for a development NGO in Jordan, for the World Health Organization in Geneva as an external analyst, and at the Cabinet Office of the British Prime Minister in London. Mr. Jackson holds a BA in Modern History and Politics from the University of Oxford and a Master of Public Policy from the Hertie School of Governance. He currently lives in Pristina, Kosovo.

Ekaterina Kolykhalova

Ekaterina Kolykhalova is a program officer in the Regional Section for Europe, United Nations Office on Drugs and Crime, where she has been employed since 2005. The geographical focus of her work includes the Russian Federation, East and Southeast Europe, and her core work involves the provision of technical assistance and expert advice to the Balkan region in the areas of countering illicit drug trafficking, transnational organized crime and terrorism prevention. Ms. Kolykhalova was highly involved in the drafting process and the implementation of the first UNODC Regional Programme for South Eastern Europe (2009-2011), and then the second – currently ongoing – Regional Programme (2012-2015). At present, she performs the function of the coordinator of the Programme. In 2010 – 2011, she took the position of Executive Officer in the Office of the Director-General/Executive Director, United Nations Office in Vienna/United Nations Office on Drugs and Crime. In 2001, she started the Foreign Service as a member of the Department on the Issues of New Challenges and Threats, Ministry of Foreign Affairs of the Russian Federation. She graduated from Moscow State University and holds a degree in history from the Moscow State Pedagogical University. She speaks English and German and has a basic knowledge of Croatian.

Panos Kostakos

Dr. Panos Kostakos was born in Athens, Greece and has lived for more than a decade in the UK and Belgium. He has a BA (Hons.) in International Relations and Politics from the University of the West of England, UK and a PhD in International Studies from the University of Bath, UK. Panos has published widely in areas relating to transnational organized crime, smuggling, terrorism, public policy and social networks and has taught Politics and International Relations at the University of Bath. He has worked closely with public authorities and NGO's on both sides of the Atlantic and has consulted for private and public sector organizations on issues of corruption, political stability, good practice and criminal associations. He is a regular commentator in the media on matters relating to political violence and criminal networks. Panos is currently the Director of European Operations for the Accreditation Council for Business Schools and Programs (ACBSP) and the Strategic Communication Officer for the Standing Group on Organized Crime (SGOC) European Consortium for Political Research (ECPR).

Sonja Licht

Sonja Licht graduated in Sociology and received an MA in Socio-Cultural Anthropology from the Faculty of Philosophy of the University of Belgrade. She has authored numerous articles in local and international magazines, journals and books. She was part of the Yugoslav dissident movement since the late sixties, and since the mid-eighties she was among the founders of a number of local and international civic organizations, including the Helsinki Citizens' Assembly in 1990. From 1991 to 2003 she led the Fund for an Open Society in Yugoslavia (later Serbia). In 2003 she established the Belgrade Fund for Political Excellence, member of the Council of Europe's Network of Schools of Political Studies devoted to the building of democratic capacity decision and opinion makers in eighteen countries. Since the 1990s, she has been board member of many reputable international institutions. For promoting democracy and civic activism in Serbia and Southeast Europe, she received numerous honors including the Council of Europe Pro Merit, Star of Italian Solidarity and the French Legion of Honor.

Almir Maljević

Dr. Almir Maljević works at the Faculty of Criminal Justice Sciences, University of Sarajevo as an Assistant Professor of Criminal Law, where he also teaches Comparative Criminal Justice and Organized Crime. Since 2001 he has provided services, either as a researcher, legal expert, consultant or project manager to a number of domestic governmental organizations as well as to international organizations, including the Council of Ministers of BiH (JHA issues, accession to EU), Transparency International BiH (corruption related legal analysis and the analysis of the public's perceptions of corruption in the judiciary), Open Society Fund BiH (analysis of juvenile justice legislation), UNDP BiH (analysis of cyber crime and e-business legislation), Max-Planck Institute for Foreign and International Criminal Law (legal analysis of sentencing for serious crimes), Open Society Institute New York, Central European University, K.U. Leuven, UN Office on Drugs and Crime. Almir Maljević holds an undergraduate degree in Criminal Justice (University of Sarajevo), LLM in European Criminal Law (University of Mostar) and a PhD in Comparative Criminal Law (Albert-Ludwigs University and Max-Planck Institute for Foreign and International Criminal Law, Freiburg i. Br.). He is the author of four monographs, co-editor of eight books, and author of more than 20 scientific articles in the fields of criminal law and criminology. He writes and publishes in BHS, English and German.

Charles King Mallory IV

Charles King Mallory IV became Executive Director of The Aspen Institute Germany in 2007. He has refocused the institute on its original core missions of promoting values-leadership and of bringing about an in-depth dialogue and exchange between scientists, policy-makers and leaders in the corporate and not-for-profit sectors on complex global policy challenges. Under Mr. Mallory's aegis, Aspen Germany inter alia convenes confidential discussions between the Democratic People's Republic of Korea and former senior U.S. policy makers and seeks to promote reconciliation and joint action of the Balkan region via annual conferences of the foreign ministers. Prior to joining Aspen Germany, Mr. Mallory was Senior Advisor to the U.S. Assistant Secretary of State for Near Eastern Affairs, worked for Credit Suisse First Boston and Credit Suisse Investment Funds A/O Moscow and has been active in academia, working at the Stockholm International Peace Research Institute, Stiftung Wissenschaft und Politik in Ebenhausen, Germany and at the RAND Corporation.

Ioannis Michaletos

Ioannis Michaletos is Political and Security Analyst-Consultant, Associate of the Institute for Defense & Security Analysis in Greece and coordinator of its Balkan studies unit. He is a political and security consultant for the IHS Jane's Information Group and a Southeast European correspondent for the European Oil & Gas Monitor and the European Energy Review. Further he coordinates the Southeast European office of the World Security Network Foundation, and is a member of the FLARE network (European network of civil society against transnational organized crime). He has appeared live and as a commentator in numerous international media such as CNN, FOX business, Al Jazeera, Reuters, Die Welt, Deutsche Welle, NPR, CNBC as well as, in regional Southeast European ones. His main interests lie in the research and analysis of asymmetrical security threats in Southeast Europe (organized crime networks, terrorism and extremism), regional politics, as well as energy-related developments (energy infrastructure and networks, investments, energy security, and regional energy policies). His experience also includes consultancy projects on security, energy and political research for organizations and corporations, focused mainly on the Balkans, Greece and the transnational illicit markets.

Petar Mihatov

Petar Mihatov is currently Head of International Defense Cooperation and Security Sector at the Croatian Ministry of Defense. He started working for the Croatian Ministry of Foreign Affairs in 1999 as an OSCE and then NATO desk officer. From 2004 to 2008 he was Third and later Second Secretary covering political affairs (bilateral, EU and NATO) in the Croatian Embassy in London. In 2008, Mr. Mihatov served as Head of Section for Common Foreign and Security Policy (CFSP) and External Relations of the EU. At the end of 2008 he became the Chief of Staff of the State Secretary for European Integration and in 2009 the Chief of Staff of the State Secretary for Political Affairs. From 2010 to 2012 Mr. Mihatov was an Adviser to the Minister. Mr. Mihatov graduated from the University of Philosophy in Zagreb in Philosophy and Information Science, obtained a Master of Science degree in Political Theory from the London School of Economics and Political Science and a PhD degree in Political Philosophy from the University of Philosophy in Zagreb.

Alexander I. Nikitin

Prof. Dr. Alexander I. Nikitin is currently a Professor at the Political Sciences Department at the Moscow State Institute of International Relations (MGIMO-University) as well as Director of the MGIMO Center for Euro-Atlantic Security and Director of the Center for Political and International Studies. Prof. Nikitin is a distinguished academic. He is the author of four monographs, chief editor and principal author of eleven collective monographs and author of more than one hundred articles and chapters in academic periodicals, journals and books published in Russian, English, French, Korean, Punjabi, Spanish and German. Prof. Nikitin received an international research fellowship at the NATO Defense College and gave guest lecture courses at the University of Iowa (USA), the NATO Defense College (Rome) and the Geneva Center for Security Policy (GCSP). He is a member of several scientific associations including the Russian Academy of Military Sciences and the Russian Political Science Association, whose elected President he was from 2004 to 2008. He is Vice-Chairman of the Russian Pugwash Committee of Scientists for International Security and Disarmament, and an elected member of the International Pugwash Council. Prof. Nikitin is a member of the Scientific-Expert Council of the Collective Security Treaty Organization. Since 2005, he has been an official external expert for the United Nations, nominated by the UN High Commissioner on Human Rights. Prof. Nikitin has organized more than fifty international scientific and academic conferences and workshops, in Russia as well as abroad. He served as coordinator of several multi-national research projects. Prof. Nikitin holds a PhD in History of International Relations and a Doctor of Sciences in International Relations.

Murat Önsoy

Murat Önsoy (born 1982) is an Assistant Professor of International Relations at Hacettepe University/Ankara and a part time instructor at the Turkish Military Academy. He earned his PhD from the Institute for Contemporary Middle Eastern Studies, University of Erlangen-Nurnberg (2009). During his PhD studies, he spent one year as a visiting scholar at Georgetown University department of history. He holds a BA in Political Science and an MA in International Relations from Bilkent University. His primary research interests are history of international relations and contemporary politics of the Balkans and Turkey. His secondary research interests are theories of democratization and nationalism. He participated in several Balkan security-related forums and projects and organized a series of ambassador seminars with the participation of the ambassadors of the Balkan states in Ankara. He has also organized a high-level international congress in İstanbul (October 2012) entitled 'From War to Eternal Peace on the 100th Anniversary of the Balkan Wars: Good Neighbourhood Relations in the Balkans'. He is contributor to the textbook 'Contemporary Balkan Politics'—the first textbook on Balkan politics written in Turkish to be taught in Universities. He has written articles in Turkish, German and English and has published his PhD thesis titled '*World War Two Allied Economic Warfare and the Case of Turkish Chrome Sales*'. Mr. Önsoy is a member of 'International Studies Association,' serves as a referee for several international journals and also serves on the editorial board of Journal of Balkan Research Center. He is currently lecturing in Balkan politics and history classes on BA and MA level. Mr. Önsoy is fluent in English and German.

Dragan Pejanović

Dragan Pejanović has been State Secretary of the Ministry of Interior of Montenegro since 2010. He is also chief of the working group for the negotiations of chapter 24 – Justice, Freedom and Security of the EU *acquis communautaire*. He graduated from the faculty of law at the University of Montenegro and was law professor at a high school in between 1991-1996. He worked at the Ministry of Interior during the period of 1996 until 2006, first as assistant commander at the security department at Danilovgrad (1996-1997), then as chief of the minister's cabinet (1997-2005), and secretary of the Ministry (2005-2006). He was chief of the cabinet of the Prime Minister (2006-2008), and then Deputy Minister of Interior for local self-government (2008-2010). Between 2007-2012 he was also chief of the coordination team for the implementation of the Communication Strategy on Euroatlantic Integration of Montenegro.

Aleksandar Andrija Pejović

Ambassador Pejović is the State Secretary for European Integration, Chief Negotiator for Negotiations on the Accession of Montenegro to the European Union (since December 2011), as well as the National Coordinator for the Instrument for Pre-Accession Assistance. In the last two years (since March 2010) he has been Ambassador – Head of the Mission of Montenegro to the EU and (since October 2010) the permanent representative – Ambassador of Montenegro to the Organization for the Prohibition of Chemical Weapons in Hague. Prior to his appointment as the Ambassador to the EU, he was Director of the Directorate for the European Union in the Ministry of Foreign Affairs of Montenegro for three years. Furthermore, he was a member of various government working bodies in the process of European integration, and coordinated the preparation of answers to the EC Questionnaire – Political Criteria and the Chapter 31 – Foreign, Security and Defense Policy. He has been working in the Ministry of Foreign Affairs since 2000. He performed duties in several departments within the Ministry – multilateral affairs (UN and regional cooperation), bilateral affairs (neighboring countries and Western Europe) and the EU. He worked in the Office for Cooperation between Montenegro and Slovenia in Ljubljana, as well as in the Embassy of Serbia and Montenegro in Skopje, where he also performed the duty of national representative to the Regional Centre for Migrations, Asylum and Refugees. He was national coordinator for the Montenegrin chairmanship of the Adriatic Ionian Initiative, coordinator for the chairmanship of the Migration, Asylum, Refugees Regional Initiative and deputy national coordinator for the fight against human trafficking. Before his employment in the Ministry of Foreign Affairs of Montenegro, he had worked as professor in the Grammar School in Herceg Novi for three years and a half. He speaks several languages, among which English, Italian, French, Slovenian and Macedonian. In his free time, he is engaged in writing and sculpting. He is the author of several specialist papers on international relations and geopolitics, as well as of one novel *Amabor*.

Valery Perry

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Snežana Radović

Snežana Radović was born in Podgorica on August 27, 1971. She studied at the Faculty of Political Sciences in Sarajevo and the Faculty of Philosophy in Nikšić. She completed postgraduate studies at the Faculty of Political Sciences in Podgorica and was granted a several-months long study visit to Zagreb. She attended the Winter Diplomatic Academy in Bulgaria. Ms. Radović is employed in the Ministry of Foreign Affairs and European Integration of Montenegro. In the last three years, she was Counselor in the Embassy of Montenegro to Hungary. During her mandate in Hungary, she followed political developments in the country, covered consular and accounting affairs and actively followed the Hungarian EU presidency, which took place immediately after Montenegro acquired candidate status for membership in the EU. When needed, she acted as *Chargé d' affaires a.i.* in the Embassy. Currently, she is Acting Director General for European Affairs in the Ministry of Foreign Affairs and European Integration. Prior to her mandate in Hungary, Ms. Radović was Counselor for several years in the Directorate for NATO in the Ministry of Foreign Affairs of Montenegro. She was Secretary of the Commission for Inter-Sectorial Activities in the Partnership for Peace as well as a member of the Coordination Team for the Implementation of the Communication Strategy on Euro-Atlantic Integration of Montenegro. Previously, she worked for seven years in radio and television in Montenegro where she was in charge of international relations and was editor of the desk for processing of foreign programs and international exchange. She has passive knowledge of several languages. She speaks English.

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Dejan Radusinović

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Anton Travner

Anton Travner is currently Head of DCAF Ljubljana (a regional office of the Geneva Centre for the Democratic Control of Armed Forces) and the Police Cooperation Convention for Southeast Europe Secretariat. He is also Head of the DCAF Border Security Programme for Southeast Europe. He was born on January 2, 1967. He concluded law studies at the Law Faculty of the University in Ljubljana, followed by the successful obtainment of an LLM Degree in Civil Law in 2008. He began his career in the Slovenian police as police officer. He was subsequently appointed Head of Department for Border Security, and a year later Head of Sector for Border Security and Foreigners in the General Police Administration, Ministry of the Interior of the Republic of Slovenia. In 2004, he was appointed Head of Cabinet and Senior Counsellor to the Minister, as member of the Slovenian Police Steering Board; in 2005 he was appointed Head of Service of the Director-General of the Police, and later promoted to the Head of Service for International Relations of the General Police Directorate. He was a member of the Slovenian national team in the EU accession process (Chapter 24). As an expert on police and border management issues, he chaired and contributed to various working groups, negotiations and other projects. He led the Slovenian delegation to the CATS Committee of the Council of the EU, and chaired the Committee during the Slovenian Presidency of the Council of the EU in 2008. He joined DCAF in 2006 as Senior Adviser for the DCAF Border Security Program, and was appointed in 2008 as Director of DCAF Ljubljana and Head of the PCC SEE Secretariat. From 2012 onward, following the transfer of the DCAF Border Security Programme to DCAF Ljubljana, he has also worked as Head of DCAF Border Security Programme for Southeast Europe. He speaks Slovenian, Serbian/Croatian and English and is married with two children.

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ORANIZED CRIME AS A SECURITY CHALLENGE IN SOUTHEAST EUROPE

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The Aspen Institute's conference 'Organized Crime as a Security Challenge in Southeast Europe' took place in Budva, Montenegro, between May 30 and June 2, 2013. The event brought together 40 select decision-makers from Southeast Europe (SEE), Germany, the United States (U.S.), Turkey and the European Union (EU), with professional backgrounds in government, international and civil society organizations, academia, the security sector and Foreign Service. The conference was divided into four sessions, with the first dissecting organized crime in SEE. Most striking about the phenomenon is that it is highly organized and agile, and also exploits corruption and poor governance in the region to further its own interests. Session II focused on one particularly significant dimension of organized crime in the region: drug trafficking. Participants noted that despite facing many challenges, the fight against drug trafficking can be won, although a strong monitoring eye should be kept on the level of local drug consumption.

Session III inquired into solutions. All participants stressed the importance of cooperation, though many challenges to stronger partnerships remain, including a lack of trust, an incoherent legal basis and shortcomings in technical capacities. A more proactive role for academics should be considered. The last session on the EU's role in fighting organized crime started off with participants emphasizing the absolute importance of Chapters 23 and 24 of the *acquis communautaire* for candidate countries. It was also noted entry into the EU does not inevitably bring about good governance and not all aspects of the EU integration process necessarily help in the fight against organized crime. At the same time, the road to Europe is now steeper and the general climate for enlargement rougher, something that confers more importance on the role of civil society for the Balkans.

Session I: Social, Economic and Security Implications of Organized Crime Today

The first session investigated the social, economic and security implications of organized crime, and despite different opinions on its impact, one notion emerged with consensus: criminal groups in the region are highly organized and most likely here to stay. At the same time, trying to map organized crime is not easy and speakers emphasized that it is a 'moving target,' with transportation routes, methods of exchange and the range of products constantly, and for the most part, successfully, evolving. Indeed, the scale of the global interconnectedness of organized crime in SEE was emphasized by participants. Though diaspora connections still matter, Balkan groups are also forging strong transnational relationships with organized crime syndicates in South America and Africa, and though this transnationalization of organized crime may not be new,

it has found novel expression, meaning it is more complex, better connected and more diverse than ever. One practitioner suggested that one of the key challenges is the involvement of terrorist organizations in organized criminal activities. Terrorist organizations, such as the Tamil Tigers and the Kurdish Workers Party have been accused of involvement in migrant smuggling and drug trafficking by enforcement groups. Others warned against overestimating such links, as terrorist groups may take profits from organized crime, but there are not necessarily clear cut structures linking the two.

Manifold reasons were given for the continued existence of organized crime, but the close relationship between organized crime and corruption drew most attention by participants. This nexus creates an unfortunate vicious cycle: corruption facilitates organized crime, which in turn, through bribes and kickbacks, induces further corruption and the erosion of the rule of law. Corruption also brings with it significant costs for the economy, development and education. Tackling the issue of corruption is the first step to dislodge or eliminate organized crime and to do this requires radical measures, strong political will and a comprehensive approach within the countries and throughout the region. Others though questioned the centrality of corruption proposing that badly organized government is the primary cause of the phenomenon.

Indeed, poor governance conditions were said to be at the core of the issue. In this vein, a veteran civil society activist lamented on the inability of the Balkan countries to get their house in order and analysts noted that SEE had become a 'soft spot' for the security architecture of the continent. One specialist on the economies of the region noted that organized crime also builds upon old power structures, such as former security intelligence networks and communist party ties. Another expert suggested that 'enterprise theory' offered a helpful way to understand the behavior of organized crime groups. The theory considers criminal groups as rational as multinational companies, seeking economic profit through the evaluation of countries' risks, benefits and market analysis. 'Pull' factors that make SEE attractive for organized crime, therefore are those opportunities offered by governance gaps: unregulated markets, the weak rule of law and widespread corruption.

The harmful social effects of organized crime in the region were discussed. A civil society activist described how the phenomenon dangerously preys on the mindset of young people, convincing them it pays off to be a criminal and brings you things that you normally could not have. Similarly, a director of a national crime agency expressed concern that the growing wealth and influence of organized criminal groups enables them to connect their destiny with that of the common people. Leaving the pernicious effects aside, others drew attention to the potential of organized crime to be functional. One way of conceiving of organized crime's existence

is that it supplies goods that people want and if legitimate markets leave many customers unsatisfied, then organized crime steps in; Sigmund Freud's work could only be enjoyed in Moscow via the black market, noted one participant.

From its relationship with society, the discussion moved on to organized crime's relationship with politics. One expert stressed that the classical paradigm that views the state as a benevolent actor fighting the 'bad' of organized crime needs to be questioned. Understanding the precise nature of the interaction between the state structures of the region and organized crime – the extent of complicity, subversion or accommodation – should be a first step in formulating a plan to fight it. Put forward by one participant was the view that the extent of organized crime's infiltration into state structures should not be underestimated: taking out organized crime could prompt the fall of entire states. From this perspective, a belief in better laws and stronger enforcement is utopian and more cynical measures are necessary. Generally, though, it was acknowledged that in contrast to Mexico, for instance, the formal institutions of the region are not fundamentally threatened by organized crime.

The future outlook concerned participants. The ongoing financial crisis and economic insecurity in the Balkans may 'push' people into involvement in the illicit sectors of the economy. Money laundering could become uncontrollable, as it has a vast number of guises under which it could be conducted that are virtually undetectable by the authorities. One analyst expressed concern that a likely trend to emerge would be the morphing of criminal groups into 'cleaner structures' that resemble legal business conglomerates, making them even harder to detect and prosecute. Another possibility is that local groups would consolidate into stronger syndicated ones when faced with a crackdown. Aside from the economic environment, political conditions may strengthen organized crime, especially the destabilization in the Middle East and North Africa, which may provide further opportunities for Balkan groups, possibly in the business of illegal migration.

Session II: Identifying Common Strategies in the Fight Against Drug Trafficking

Drug trafficking was the focal point of session two, in which it was pessimistically noted that despite continuous efforts by authorities, Western Balkan countries have been consolidated as narcotic trafficking hubs. It is estimated that 80 tons of heroin are trafficked every year using routes within the region, and a Europol report has concluded that Albania, Macedonia and Kosovo are important locations for the storage and repackaging of transported illicit drugs. Kosovo's porous borders and corruption have offered a new breeding ground for networks of drug dealers in recent years. Balkan gangs are found all across Europe, and one expert highlighted

that the drugs trade in central Europe is dominated by SEE groups, who cross national boundaries to funnel criminal activities into other countries. Experts also pointed out that consumption of synthetic drugs is on the rise. Invariably produced in Western European countries like the Netherlands and Belgium then transported elsewhere, the arrival of synthetic drugs to the market have complicated networks of drug distribution, and could be an increasingly focal part of the drug trafficking picture. Over 2.5 million units of synthetic drugs were seized in Turkey in 2011, for instance.

Drug trafficking is not an isolated industry but is intertwined with prostitution and other forms of trafficking. The routes used are similar and sometimes prostitution and trafficking raises capital that is then invested into the more profitable drugs trade. It was noted that the SEE countries are also major transit points for the smuggling of goods and people to EU countries and addressing the supply of drugs could only be done as part of the broader fight against organized crime. Other participants called for a greater focus on the demand side as reducing demand in the affluent West, especially through education, would 'take water out of the bowl where the bad fish swim.'

Despite facing many challenges, the fight against drug trafficking can be won explained one expert. Thailand and China are good examples where the drug trade has been stifled by state action but two preconditions are absolutely necessary: first the existence of an alternative to drug production and then also the ability of the state to provide minimal security. The session ended with a clear warning from one expert that historical experience teaches us that an almost scientific law exists in relation to countries where drugs are cultivated and transited: they eventually become afflicted with patterns of heavy consumption. A strong monitoring eye should be kept on the level of drug consumption amongst the local population.

Session III: Regional Integration as a Tool of Fighting Organized Crime?

If organized crime has no limits, if it does not care about borders, religion or nationality, to what extent can regional cooperation and integration thwart the phenomena? This question formed the basis for this session, which started with the observations that any form of cooperation may take time given the fractious recent history of the region, but the fact that police that used to fight each other now cooperate suggests that the right track has been laid down. All participants stressed the importance of cooperation. One important regional organization spotlighted was the Southeast European Law Enforcement Centre (SELEC) that has provided partnership opportunities in countering organized crime, notably in major fields such as drugs, migrant smuggling and trafficking in human beings. Despites its small budget, so far there have been 69 successful joint

operations and 11,320 data reports shared with partners, and one police officer involved in the organization stressed the importance of this cooperation. Yet because it was a small law enforcement operation, it was difficult to engineer cooperation that was against other organizations' interests. Even so, it may be a model that can be developed and expanded throughout Europe.

However, many challenges to stronger partnerships remain. Practical linguistic barriers are not necessarily the issue, as one police professional suggested that there was unfortunately very little trust between the police of the region. Indeed, there has been no culture of alliance building amongst police forces and more flexibility is necessary. Countries, influenced by their past history, are somehow still reluctant to share information and hesitant to create regional databases, and as cooperation, suggested one expert, is heavily determined by political and social dimensions, a new collaborative mindset needs to be cultivated in parliaments and communities.

The form and modes of cooperation were debated and even though there were differing perspectives about what is important for cooperation, there was unanimity that the overall *quality* of cross border cooperation is vital. One specialist recommended cooperation should go beyond intent and must build a system that can deliver. While some participants put emphasis on combining police knowledge, other stressed the importance of having a coherent legal basis, something that is currently lacking. One academic noted that research has shown that quite often, regional initiatives have inadequate authority, confused priorities and overlapping competences. In fact, legal differences impede a concerted approach amongst SEE countries as, for instance, timeframes for investigations can vary markedly. In Croatia it could be 8 months whereas in Montenegro it may be limited to 5 months, which makes it difficult to harmonize operations in the fight against organized crime. Legal deficiencies were also noted, especially in relation to different levels of judicial support that is enjoyed by police forces. Further shortcomings in relations to the EU were described, particularly in relation to technical capacities, something that cannot be easily remedied via the adoption of new laws. More technical and material support is necessary to strengthen human capital in the region.

Another mode of cooperation discussed was extended integration into broader policing structures. Interpol was mentioned as a possible framework within which greater integration for SEE structures may be fruitful. There are also many opportunities for Turkey to play a strong role in the region, especially as Turkey is a source, transit and destination country for various smuggling activities and remains an anchor point of the 'Balkan' route. Already cooperation takes place, most notably bilateral security agreements that encourage the sharing of information and the Turkish Academy against Drugs

and Organized Crimes has provided trainings to many officer staff in the region. Turkish experts underlined the importance of trust between Turkey and SEE countries on judicial and police cooperation.

Some analysts warned that though cooperation may be useful, it is unlikely to represent a panacea and ultimately domestic level policies and measures are the most important. Analysts described certain practices that could thwart organized crime, such as a register of companies that would more transparently record business transactions. Making illegal activities costlier through a strengthened enforcement of laws was another suggested solution, while others were more skeptical about the ability of the state to control some aspects of the illicit sector. Indeed, it was noted that sometimes the menu of laws on offer is irrelevant and regulations that aim to curb corruption fail to do much, principally because they fail to address the roots of the problem: frustrated economic development, income inequality and power vacuums. For these, smart policies or new frameworks are not sufficient; political will allied to urgency of action are absolutely vital.

One analyst highlighted that after will and resources, more precise knowledge and comprehensive information are essential tools in the fight against organized crime, something that could be generated by a more proactive role for academics. It was noted that academics have potential to do the policy analysis that could be central to combating crime: they can understand what is effective, what is not effective, they can analyze the cases, and they can provide solutions. Some countries, such as the UK, USA and Australia, already lead the way with this type of research and one regional academic suggested that the international community should invest more in academic-practitioner relations to establish a mutual feedback loop between the two. Underscoring this, another participant praised the threat assessment tools that academia has produced and that have been extremely effective in identifying organized crime. The need for academic innovation was also emphasized, particularly a new style of research that moved away from ethnographic research to examining public perceptions of organized crime in order to craft more well defined communication strategies. At the same time, more skeptical positions on the utility of academia were taken up. One practitioner suggested at best the relationship between crime academics and practitioners was long distance, at worst it was hardly a relationship at all as researchers tend to operate outside of practitioner circles in separate networks, with the result that their research agenda often disregards the educational needs of the police.

Session IV: EU Integration as a Key to Fighting Organized Crime?

Discussions on the EU's role in fighting organized crime started off with participants emphasizing the absolute importance of Chapters 23 and 24 of the *acquis communautaire* for candidate countries. Officials from the Montenegrin government explained that the EU accession process has induced a more systematic strategy for combating corruption and praised the EU's assistance in strengthening the rule of law, though recommended that the advice proffered by the EU should always be relevant to context. Generally though, the progress towards EU integration is an advantage for legal harmonization and effective collaboration.

It was also noted during the conference that corruption still badly afflicts some member states, and entry into the EU does not inevitably bring about good governance. Not all aspects of the EU integration process have necessarily aided in the fight against organized crime and one police professional explained that EU-induced changes to data protection law have been unhelpful. Moreover, an organized crime expert suggests it is a virtual iron law that as soon as you open up borders, you also open up larger spaces for organized crime. Apart from the obvious convenience of the free passage of goods and people for criminal cartels, the Schengen zone along with the boosting of air travel and transportation in general across the Balkans-EU, has stimulated new criminal networks not only on the country level but also on the region-to-region level. Three basic conditions must be in place to balance the negative side effects of opening up borders: awareness, honest threat assessments and determination. Such unintended consequences of EU integration raise another issue: should legal changes wrought by the accession process not be subject to debate? A specialist suggested that in relation to organized crime fighters, the way in which accession affect their work should be part of a general discussion and debate with politicians.

One expert stressed that the accession process has changed for candidate countries. The road to Europe is steeper and rougher: Ireland, for example, acceded in 2 years through adopting 8 chapters, whereas for the Balkan countries there are 35 chapters that require a far greater timeframe and more labor intensive effort, especially as now the EU accession process represents not just political modification but the fundamentals of state-building. From the EU side, it was stressed that organized crime was hardly helping to assuage enlargement fatigue and was preventing investment into the region. If bribes are a necessity for business, then EU companies tend to leave. To combat rent seeking and corruption, it was noted that there are excellent practices throughout EU member states and these should be shared more. For instance, German companies have a code of conduct, which allows for competition between companies but any dalliance with corrupt practices ends a company's involvement in the tendering process.

In addition to these interesting methods of self-governance, one academic highlighted the importance of a civil society. As a top down change of the current

political class is unrealistic, the EU should support NGOs, student associations and trade union, particularly because grass roots empowerment may be able to instigate a cultural change by working from the highest to lowest levels of society. A reoccurring theme throughout sessions was that asymmetric information on the way organized crime affects people's lives keeps a lid on societal pressure to prevent it. Raising awareness amongst the public, explaining and exhorting the costs that organized crime brings, could prompt more government action, and civil society do have an important role to play in disseminating information on the costs of organized crimes. Another issue, noted one expert, is that civic actors often produce excellent reports on these issues, but are mostly ignored by media, governments and the EU.

While most speakers agreed that civil society should have a role, it was also suggested that excessive faith in civil society might lead to disappointment. It was suggested that the EU funding of civil society has prompted accusations of civil society capture in the region and crime fighting professionals disliked the growing anti-police public sentiment often stirred up by civil society. One activist suggested that civil society should keep away from negotiations because it confuses their role with that of government.

ORGANIZED CRIMINAL NETWORKS AS AN INTEGRAL PART OF SOCIETAL, ECONOMIC AND POLITICAL LIFE IN SOUTHEAST EUROPE

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"He who does not prevent a crime when he can encourages it." (Seneca)

T he region of Southeast Europe is a crucial one in geo-economic terms and the Western Balkans the most sensitive part of it due to recent history. The existence of powerful local and transnational organized criminal structures has both internal and international implications that extend beyond the security sector and into local political, business and social life.

Introduction

As the countries of the Western Balkans are on their path towards the EU, light should be shed on the developments occurring that have an impact on the wider pan-European security architecture and what lies ahead in terms of an eventual normalization of the organized crime phenomena in the region *vis-à-vis* its final integration into the European Union. The following passages examine contemporary developments and the likely trends ahead.

Research into organized crime, in the especially turbulent and idiosyncratic region such as the one focused on here, should be examined with caution, and apart from a theoretical approach an empirical and even intuitive approaches should be utilized. In many cases it is hard to distinguish the boundaries between legality and organized criminality since there is a tendency for the formation of in between grey areas by intermediaries and various local actors.

Lastly, it is crucial to note that the Western Balkan countries are in general new states with weak structures due to their recent history and may find it difficult to combat the pervading influence of criminal syndicates. Thus, their future accession into the EU cannot be completed without the strong backing of EU member states, as well as that of international organizations, which have the necessary know-how, experience and will to address the issue.

Narcotics Contraband and the Hard Road ahead to the EU

The 2005 UN Drug report[1] identified Kosovo Albanian organized crime groups responsible for controlling the regional heroin market. The 2007 report[2] additionally identified them as developers of the new trafficking routes importing South American cocaine: "This raises concerns about the development of new trafficking routes and/or the incorporation of cocaine into the range of products offered by traditional heroin trafficking groups operating along the Balkan route." The report adds that Albanian drug gangs control ports in Romania, in addi-

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[1] https://www.unodc.org/unodc/en/data-and-analysis/WDR-2005.html.
[2] https://www.unodc.org/unodc/en/data-and-analysis/WDR-2007.html.

tion to ones in Montenegro (presumably Bar) and Albania (presumably Durres). "Some cases of cocaine shipments via the Black Sea to Romania and via the Adriatic Sea to Montenegro often organized by Albanian criminal groups have already been observed," says the report. The 2012 UNODC report[3] provides yet more information on the subject by stating: "There has been a clear increase in cocaine trafficking via some of the Balkan countries in recent years. It seems that drug traffickers from the Balkans, some based in South America, are trying to obtain shipments of cocaine for distribution to illicit markets in Western Europe, after purchasing the drug from Nigerian groups operating in Brazil."

Therefore, the traditional narcotics market structure has evolved further over the previous years and now the smugglers are able to exploit both the main road corridors of the region from east to west and north to south, but they have also taken hold of the main sea trade import bases, assuming a greater global role.

Moreover, the complexity and the internationalization of the Balkan criminal syndicates have clearly expanded over the last decade, getting into new illicit sectors, thus being able to raise more ill-gotten capital and exercising far greater influence than in the 1990's for instance.

Since 2005 and up to the present day, reports from state organizations, research institutes and international bodies, have all placed a great importance on two things: The gravity of the organized illicit sector in Southeast Europe for the rest of the EU and the nexus between known criminals and local state structures, which leads even to international political implications and is of a threat for the stability of the region in all terms.[4]

The U.S. State Department International Strategy for Narcotics Control report,[5] released in March 2010, states that the Balkan countries remain major transit points for Afghan heroin, while the war against traffickers is hampered by corruption and weak state institutions. According to the report, Albania, Bulgaria, Kosovo, Serbia, Croatia, and Bosnia and Herzegovina are used by narcotics traffickers to move Afghan heroin from Central Asia to destinations around Western Europe. To a lesser extent, Romania and Montenegro are also considered as staging posts for traffickers. Apart from being an important trans-

it country for heroin and cocaine, Bulgaria is also a producer of illicit narcotics, the report says. With its geographic position on Balkan transit routes, Bulgaria is vulnerable to illegal flows of drugs, people, contraband and money. Similar assertions were made in subsequent years by the U.S. Department of State, which further confirms the prevalence of strong criminal structures in the Southeast European region.

Interpol[6] is quite specific in identifying the great importance of the Balkans in the present day European narcotics market. According to the research of that organization, two primary routes are used to smuggle heroin: the Balkan route, which runs through Southeast Europe, and the silk route, which runs through Central Asia.

The anchor point for the Balkan route is Turkey, which remains a major staging area and transportation route for heroin destined for European markets. The Balkan route is divided into three sub-routes: The southern route runs through Turkey, Greece, Albania and Italy; the central route runs through Turkey, Bulgaria, the Former Yugoslav Republic of Macedonia, Serbia, Montenegro, Bosnia and Herzegovina, Croatia, Slovenia, and into either Italy or Austria; and the northern route runs from Turkey, Bulgaria and Romania to Austria, Hungary, the Czech Republic, Poland or Germany. Large quantities of heroin are destined for either the Netherlands or the United Kingdom. At that point the European Strategic Intelligence & Security Center[7] reveals the inability of the authorities to make a difference regardless of their knowledge of the trafficking routes and methods used. "It must lastly be taken into consideration that Kosovo's porous borders and rampant corruption have offered a new breeding ground for networks of drug dealers in recent years. This has especially been the case of networks run by the Albanian mafia, that have proved to be particularly hard to infiltrate. The quantities of drugs seized in the region are however worryingly low… Several factors are hindering the efforts of authorities to tackle the drug traffic. The main issues are the lack of regional cooperation, the clan-based and hierarchically well-organized structures of the crime groups, the strategic role of the local diasporas in the Western countries and the corruption that the Balkan states are dealing with."

The magnitude of the organized crime groups in the region can be well illustrated by the case of the "Šarić network" in Serbia.[8] The organization of Darko Šarić had funneled 1.3 billion euros to Serbia, but may have amassed up to 5 billion, according to investigators. Šarić and his companions laundered the narcotics money through companies in Serbia, Montenegro and "some Western European countries."

3   https://www.unodc.org/unodc/en/data-and-analysis/WDR-2012.html.
4   For more detailed information & analysis along with a broader range of views on the subject: (i) http://www.welt.de/english-news/article2806537/German-spy-affair-might-have-been-revenge.html and (ii) http://www.msb.gov.ba/dokumenti/DSAR.SEE.published.pdf and http://www.eliamep.gr/en/security-regional-developments/eliamep-thesis-42010-organised-crime-and-corruption-in-and-around-south-eastern-europe-trends-and-counter-efforts/ and (iii) http://www.iesingapore.gov.sg/wps/wcm/connect/94c7aa8042c2894 3b830fb278cef1091/Editorial_20100606_Control_Risks_CEE_corru ption_report_2009.pdf?MOD=AJPERES and (iv) http://rspcsee.org/en/pages/read/areas-of-cooperation/justice-and-home-affairs.
5   http://www.state.gov/j/inl/rls/nrcrpt/2010/.

6   http://www.interpol.int/Crime-areas/Drugs/Heroin.
7   http://www.esisc.org/publications/briefings/light-on-the-balkan-drug-routes.
8   http://www.flarenetwork.org/learn/europe/article/serbian_cocaine_kings_earned_and_laundered_billions.htm.

Moreover, the powerful crime clan, said to be one of the major cocaine suppliers in Europe, was involved in the attempt to smuggle 2.7 tons of cocaine from Latin America to Europe in the autumn of 2009. Since the sheer amount of this trafficking attempt is quite substantial,[9] it can be estimated that the nexus between the South American cartels and those in the Balkans is becoming stronger and of importance for the world police authorities. In this case Serbian and Montenegro citizens were involved, as well as suppliers from Argentina and Bolivia who worked together for years and in a fashion that resembles the workings of any modern multinational corporation.

Despite continuous efforts by authorities, the Western Balkans over the past decade have expanded their global reach as narcotics trafficking hubs, further adding to the hypothesis that organized criminal structures have become dominant in the region and will certainly become a burden for the countries involved in the accession process to the EU.

Narcotics Are Not an Isolated Organized Crime Industry

Narcotics contraband is also indirectly related to illegal immigration and weapons smuggling, therefore making it a multilevel illegal industry, one that is high in revenue and also linked to corrupted officials in these illicit sectors. It is not an issue that can be singled out from the rest of organized crime activities. Also it is important to note that illegal organized prostitution rings in the Balkans are directly related to narcotics, since police investigation in several countries have revealed over the years that the drug dealers first raise capital by illegal prostitution and trafficking before venturing into narcotics trade, which is even more profitable.[10] Rarely does a group of people become drug dealers (in a systematic, significant and organized manner) without being involved in either prostitution or goods smuggling previously.

On a wider level, it should be noted that narcotics contraband has extensive international implications. For instance, in December 2009 the UN drugs and crime tsar Antonio Maria Costa claimed[11] that illegal drug money saved the banking industry from collapse. He claimed he had seen evidence that the proceeds of organized crime were "the only liquid investment capital" available to some banks on the brink of collapse. Thus, the Balkan heroin route for instance, apart from a multibillion-dollar illicit trade path, also generates profits indirectly to corporations thriving in the legal market,

such as banks, making the whole issue of combating drug trade an extremely complicated problem that cannot be addressed by conventional measures alone.

The prospects do not look especially optimistic. The current financial crisis and the widespread corruption in the Balkans will ensure that there is going to be plenty of human capital readily available to invest into narcotics smuggling. Narcotics are a lure for criminals because they are "fast-moving objects" with extremely high yield and return on investment.

Further Ramifications

The perils associated with organized crime activities in the Balkans have long had harmful consequences in other countries due to the penetration of the European crime scene by Balkan groups. For instance, the majority of the Hungarian, Czech, Slovak heroin market is controlled by Western Balkan groups, which are also involved in trans-border arms smuggling and human trafficking. Therefore the criminal syndicates not only exploit local markets and facilitate the spread of illegal substances, but also assist in funneling further criminal action into other countries and finally create a wide network of illegal activities that involve a large number of individuals. These present serious problems for the authorities in different states, who find it hard to either control or even identify the complexity of the situation. In fact, Western Balkan groups are spread across the EU[12] and greatly assisting in expanding a Pan-European criminal syndication and pose a great deal of burden to the security and police authorities. Further, the problems associated with organized criminal action, hinder the accession process in the EU of the countries involved. A recent Wilton Park conference[13] described the current situation: "The EU has placed rule of law at the forefront of its enlargement strategy… countries in the Western Balkans face major challenges in this area, with corruption and organized crime rife throughout the region."

Since the Balkans is one of the main import points and staging grounds for the expansion of organized criminal activities in the European Union, a pan-European anticrime policy should be expected to be centered in that region. Moreover the security authorities should be aware of the flexibility and the adaptability of the criminal groups that seek to maximize their returns at any given moment, and in many instances tend to create an illegal market as soon as they realize that a need has to be met by non-legal means. Human greed is the driving motive along with a combination of historical and political permissiveness that fuels a bottom-up societal pro-

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9   Taking for example the fact that the nominal GDP of Montenegro was around 4.5 billion USD 2012 and Serbia's around 38 Billion USD, then the amounts derived from narco-trafficking are impressive compared to the overall legal economic activity sectors.

10   Unofficial commentary to the writer by Greek, Serbian and Bulgaria Police officers.

11   http://www.guardian.co.uk/global/2009/dec/13/drug-money-banks-saved-un-cfief-claims.

12   https://libraryeuroparl.wordpress.com/2012/08/29/organised-crime-in-the-western-balkans/.

13   https://www.wiltonpark.org.uk/conference/wp1217/#conference_introduction.

liferation of organized criminal activities in the Balkans and in particular in their Western part.

Points Ahead: Things Do Not Look Bright at All

Below, a series of parameters and hypotheses are going to be presented along with a brief analysis. The potential trends ahead regarding organized illicit activities in the (Western) Southeast Europe are of importance for their eventual EU accession, but indicators are not optimistic for a smooth sail ahead.

Economic crisis, commercial and job market depression: Greece and Serbia are already in a downward spin, while Bulgaria, FYROM and Bosnia are in a critical position. Consequently Albania, Kosovo and Montenegro may follow. Turkish, Croatian and Slovenian economic development is also in question. Economic weakness is a fertile ground for the empowerment of criminal groups, especially because the organized criminal infrastructure is already well grounded in the region and has taken advantage of historical downturns, either political or economic ones, in the past.

Economies of scale: Due to pressure of the security authorities and the one exercised by the EU for an eventual membership of Western Balkan countries, criminal groups already cooperating in the sectors of narcotics, arms and trafficking will join structures and combine their forces. The historical example of neighboring Italy is illustrative that local groups tend to form even stronger syndicated ones when circumstances make the existence of any individual group perilous. Similar "cartel-type" organizations exist in Latin America and in the USA, while the economics behind such a model are evident. As the younger generation of local "Mafiosi" takes the reign, their globalized mentality and their greater understanding of the EU political context will force them to adopt into "cleaner structures" resembling legal business conglomerates.

Money laundering to become uncontrollable: Despite efforts of a great scale of both local and international authorities, money laundering has a vast number of guises under which it could be conducted that are virtually undetectable by authorities. The creation of perfectly legal small and private companies with substantial "nominal" profits is one. Due to the variables that were mentioned these activities will likely rise, thus permitting organized crime cartels to further integrate into the societal structures and thus into local political and business life. The current criminal groups in the Balkans have already amassed a significant amount of capital that cannot be numerated precisely, but it can be safely assumed that it reaches quite a few billion euros, along with thousands of properties and merchant companies. Thus, sooner or later this criminal capital will have to be laundered through the legal system. That requires the collaboration of financial institutions, which likely will be concentrated in the Balkans, since the rest of the Eu-

ropean banking system would not allow such a massive breach of regulations and, most importantly, a change of balance in the already established equilibrium of capital power in Europe.

The different sectors of systematic criminal activity tend to multiply the dynamics of each. At the same time the success of each group tends to be imitated by newly emerging ones: In times of economic and political uncertainty and crisis, while new sectors of illicit activity are being created (such as the mass illegal immigration "caravans" from Asia into the Balkans since roughly 2005), newly formed groups are getting involved by seeing opportunities to raise much needed capital.

Since each illegal sector needs to invest capital in the first place (transportation, logistic, recruitment, etc.) a vicious circle of enacting new criminal enterprises to secure capital so as to get into more sophisticated sectors begins, which tends to involve a larger number of individuals who come from a variety of walks of life not necessarily connected to the "underworld". In short, organized criminal activity tends to penetrate larger stratums of society and penetrating all legal activities as well. A point ahead is the large number of undocumented Asian and African immigrants in the Balkans that are in reality "trapped" jobless in the region, thus opening a new lucrative sector for criminal networks to arrange for their transportation further north, a trend already documented in recent FRONTEX reports.[14]

Schengen zone and ease of travel: Apart from the obvious convenience of the free passage of goods and people for criminal cartels, the Schengen zone along with the boosting of air travel and transportation in general across the Balkans-EU, has also created new interpersonal networks not only on the country level but also on the region-to-region level, making the containment of organized crime activities extremely difficult.

The destabilization in the MENA region: The upturn since early 2011 in a region stretching from the Sahel up to Mesopotamia will certainly assist into the interaction of criminal groups as facilitators between countries such as Syria or Libya with the rest of the EU markets in a whole range of illegal sectors and most importantly illegal immigration and human trafficking. Arms contraband is also a trend to be expected judging from the vast amounts of weaponry being trafficked already to arm rebels, political dissidents and guerilla groups across the MENA countries, while already Western Balkan criminal associates have been involved in this activity.[15]

[14] http://www.frontex.europa.eu/assets/Publications/Risk_Analysis/W
B_ARA_2012.pdf also http://www.eulex-kosovo.eu/training/poli
ce/PoliceTraining/BORDER_BOUNDARY/DOCUMENTS/3.pdf?
page=agreements.

[15] http://www.nytimes.com/2013/02/26/world/middleeast/in-shift-sau
dis-are-said-to-arm-rebels-in-syria.html?pagewanted=all&_r=0.

In general, the divergence in economic growth in the European Union and the rise in unemployment in most EU member states will inevitably provide yet another golden opportunity for the "Balkan mafia", as the wars of the 1990s were for contraband trade, and the ease in travel in the 2000s for their human trafficking operations and their spectacular global criminal expansion.

Overall, the eventual accession to the EU of those countries in the western part of Southeast Europe will not solve the perils associated with organized crime structures. Instead, a thorough, systematic approach by all concerned bodies should take place to ensure that the illicit markets will be contained while the problems of crime syndicates will not spill over to the rest of the EU.

A holistic approach concerning the issue of organized crime should take place by the EU bodies, specialized international agencies, local civil society organizations and of course the state apparatus and political world of the Southeast European countries. Judicial, security, intelligence, police, military and social agencies have to combine efforts, share thoughts, propose joint initiatives and conduct dialogue between them.

Organized crime is multifaceted and it penetrates all spectrums of the concerned societies, therefore countermeasures should take this into account before beginning to combat the issue, otherwise it will remain elusive and a menace for the region and Europe for the foreseeable future.

ORGANIZED CRIME AND CORRUPTION HINDER ECONOMIC DEVELOPMENT IN SEE

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The Evolving Nature of Transnational Organized Crime

Current research in international security studies yields very important insights into transnational organized crime (TOC) as one of the major 21st century threats to human security, political stability, and economic development.

Without exception, the spectrum of security threats in the post communist region of Southeast Europe (SEE) is shaped by organized crime, money laundering, and human trafficking networks. Other more immediate challenges, such as poverty, unemployment, corruption, political instability, weak governance, and interethnic disputes create the perfect environment for exploitation by the various TOCs. Organized crime and corruption are the strongest impediments to the development of SEE countries, and have also been identified by the European Commission as major obstacles on the path to EU integration.[2]

TOC is relatively new. It presents a novel expression of older models of organized crime. It increasingly diversified its methods, structures and impact on society. It has made use of the forces of globalization, such as technology and innovation, free trade expansion, flexibility and speed of commerce, communications and information. By adapting these new technologies and methodologies, organized criminal networks have dramatically increased their reach into the lives and affairs of ordinary people, governments and private companies.

Internet, as a key facilitator for the ease of electronic communication along with the rise of international transfer firms, have played crucial roles in assisting the growth of the worldwide illicit economy, through money laundering tools. Electronic resources have also facilitated the emergence of new types of criminal activities, such as, cyber crime.

According to the World Economic Forum, the cross-border flow of global proceeds from criminal activities exceeds USD 11.7 trillion of total dirty money yearly. Fifty percent of this originates from activities in the developing world, with illegal drugs and counterfeit goods each accounting for eight percent of world trade. A recent report of Global Financial Integrity (GFI) states that dirty money from crime, corruption and tax evasion costs the countries of the Balkans an astounding USD 11.6 billion in ten years only (2001-2010), with Serbia ranked the worst Balkan country with about USD 5 billion yearly.[3]

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[1] This paper reflects the views of the author and is not necessarily the official policy of the U.S. or German governments.

[2] See https://reportingproject.net/occrp/index.php/en/ccwatch/cc-watch-briefs/1665-organized-crime-and-corruption-frustrate-balkan-countries-eu-hopes.

[3] Karl D., and Freitas S., (2012), "Illicit Financial Flows from developing countries: 2001- 2010", Global Financial Integrity.

To better understand TOC, this paper uses a broader definition by Albanese: TOC is defined as: "a continuing criminal enterprise that rationally works to profit from illicit activities that are often in great public demand. Its continued existence is based on the use of force, threats, monopoly control and/or the corruption of public officials."[4] The international dimension is also very important for understanding the cooperation among different organized groups, transcending national, ethnic and business differences.

Moreover, criminal groups are not involved exclusively in illicit activities, but are venturing into legitimate businesses and the regular economy. As a result, organized crime has blurred boundaries between legal and illegal spheres, making them less visible and harder to target.

In enterprise theory, organized crime exists because legitimate markets leave many customers unsatisfied. It considers criminal groups as rational as multinational companies, seeking economic profit through the evaluation of countries' risks, benefits and market analysis.

"Push" and "pull" factors are stressed in analyzing the spread of criminal enterprises. "Pull" factors are the opportunities offered by unregulated markets, absence of a well functioning state, weak rule of law, lack of judicial and enforcement tools, and widespread corruption. They lead to a conducive environment for successful criminal activities. The existing vacuums in regulation and enforcement can be easily filled by TOC activities, undermining the legitimacy of the state.

These problems are well reflected in the region of SEE, where a significant power vacuum was created by revolutions, wars and major political changes. The Balkan wars, the dissolution of Yugoslavia, and the transition process from communist regimes to market economies, as well as SEE's strategic geographic position created unique opportunities for illicit profiteering. These factors developed a complex pattern of interdependent organized crime and corruption, benefiting from conflict and post-conflict environments. Ethnic conflicts and regional instability have distracted governments from the implementation of real economic and political reforms, resulting in fragile democratic institutions and undermining effective law enforcement across the region. According to sources such as Europol and the United Nations Office on Drugs and Crime, the South East hub has seen the greatest expansion in the last decade, contributing to the formation of the Balkan axis for trafficking a wide variety of illicit commodities to the EU (OCTA, 2011), and very rapidly gaining a dominant position throughout the EU with an annual market value of some USD 20 billion.[5]

The effects of the economic crisis, the reduction of incomes and the rise of unemployment throughout Europe is challenging the fight against organized crime and consequently presenting greater opportunities for criminal activities, as individuals and organizations in the private and public sectors are becoming more vulnerable. Consequently, an increase in social tolerance towards criminal activities seems to be the highest risk for society.

Organized Crime-Corruption Nexus in SEE

Any attempt for a comprehensive analysis considering the infiltration of organized crime in political and economic levels in SEE must consider the enormous role of corruption. The worldwide issue of corruption has been both exposed and accelerated by globalization and other factors, such as the collapse of the Soviet Union and the fall of the communist system, privatization of huge owned assets, and rapid expansion of offshore centers.

This casual relationship between organized crime and corruption creates a nexus that, once established, is very difficult to break, whereas weak governance, corruption and poverty create a vicious cycle. A country's institutional weakness and fragmentation, socio economic inequalities, uneven regional development and openness to corruption can encourage organized crime to flourish. Particularly in SEE, organized crime has a real impact on institutional and judicial corruption, as bribes and kickbacks from criminal networks are significantly higher than salaries in the public administration, within the framework of a highly politicized and unprofessional civil service.

Various studies have shown that the entire SEE region suffers from high levels of corruption, particularly "grand corruption." Corruption is also the most devastating for undermining development, the market economy and democracy itself. Corruption's main drivers are political funding, its interplay with organized crime, and the lack of business ethics of multinational companies. This behavior at the top is usually used for justifying corrupt behaviors at the lower levels. It nurtures petty corruption, which is driven by survival reasons and low salaries, greed, and orchestration from above or reciprocal payments.

The SEE countries rank unevenly in terms of perceptions of levels of corruption in the Transparency International list. They are led by Croatia, which has better results in the fight against corruption, ranking 62th place. Albania is in the worse condition, ranking 113th

4 Albanese, J.S. (2012), "Deciphering the linkages between organized crime and transitional crime*",* Journal of International Affairs. Fall/ winter 2012, Vol. 66, No. 1.

5 OCTA 2011, Europol, "Organized Crime Threat Assessment", www.europol.europa.eu.

place out of 174 countries.[6] This situation is hijacking the future of some of the fragile democracies in the Balkans, hindering their economic and social progress.

Social and Economic Consequences of TOC and Corruption

Through their infiltration in the official economy and the political sphere, organized crime and corruption have profound economic and political consequences in addition to their obvious social and psychological costs. In a dynamic perspective, these phenomena increase the risk and uncertainty of the business environment, hindering the accumulation and the distribution process, lowering the growth rate of the economy, and negatively impacting the competitiveness of the country. Excessive bureaucracy, red tape, overregulation, corruption, lack of transparency in the privatization process, inability to provide for the appropriate services for the business sector, political dependence and weak institutions hurt the countries' competitiveness. In these terms there is a direct relationship between the high level of corruption and low business competitiveness of the country. As highlighted in the global competitiveness report of the World Economic Forum (WEF), the country ranking best in terms of economic competitiveness is Montenegro in the 72th place. Albania and Serbia rank lower, respectively at the 89th and 93rd place out of 144 countries.[7] In measuring global competitiveness, one of the most important of the twelve pillars taken in consideration is the quality of institutions, showing that stronger institutions make for more competitive international markets.

Looking at the negative effects of corruption, organized crime and weak institutions in SEE, a very significant negative correlation can be seen between high levels of crime and corruption and attraction of foreign direct investment (FDI). The latter is considered to be an important indicator for economic health and stability, a strong channel for direct economic growth and a vehicle for modernization and technology diffusion in the host country. A recent economic study, taking into consideration panel data from SEE, confirmed a very strong positive and significant relationship between the high quality of institutions and the attraction of FDI in the region.[8] Croatia and Montenegro have the highest stock of FDI per capita in the region, respectively receiving USD 7,026 and USD 9,178. Albania has the lowest

FDI, receiving only USD 1,462.[9] The same study confirmed a negative relationship between the level of corruption and FDI inflows. It also showed that even positive effects of FDI in the host country's economy were stronger where institutions were more efficient.

Research data also shows a direct negative relationship between levels of corruption and income per capita. Consequently, countries ranking lower in the TI's list with higher levels of corruption have lower GDP per capita. This finding applies to SEE. Albania, the country with the highest level of corruption in the region, has the lowest GDP per capita with only USD 4,023, while Croatia has USD 14,549 GDP per capita, ranking the highest in SEE, according to World Bank data.[10]

It is almost impossible to assess the absolute financial cost of corruption on the basis of empirical data, but research shows that the negative impact of corruption on business is staggering. Currently, the cost of corruption is estimated to be as high as 15 percent of the economy of the region. According to the World Bank, the yearly amount of worldwide paid bribes is estimated to be USD 1 trillion dollars. It exceeds, by far, any other type of crime, representing a formidable obstacle to the social economic development for many countries, driving poverty, inequality, dysfunctional democracies and global insecurity. Corruption negates growth and development. It represents an additional cost to the economy, distorts market competition, generates monopolies, eliminates regular and transparent market mechanism, and discourages innovation. Corruption also leads to bad decision-making on the allocation of the resources and lowers the inflow of foreign direct investments. Endemic corruption acts as an aggressive tax penalizing poorer citizens and smaller firms.[11]

Another major cost of corruption is the presence of the black or shadow economy, measuring up to 20-30 percent in SEE. The loss of billions of Euros from public revenues affects taxpayer interests and the ability of the governments to fund essential services. It also determines the misuse of resources by diverting them from sectors of vital importance, such as health, education and development.

Growing social economic inequality lowers confidence in leaders and public institutions, and increases social instability. Levels of public trust are exceptionally low in Eastern Europe. Less than 10% of the people trust

6   Corruption Perception Index 2012, Transparency International, http://www.transparency.org/cpi2012/results.
7   Schwab K., "The Global Competitiveness Report 2012-2013" World Economic Forum (WFE), http://ww w3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2012-13.pdf.
8   See, Zeneli, V (2011) Foreign Direct Investment and Economic growth in South East European Countries, PhD Dissertation, University of Bari, Italy.

9   UNCTAD Statistics, (United Nations Conference on Trade and Development). Data on FDI in SEE, http://unctadstat.unctad.org/ ReportFolders/reportFolders.aspx?sRF_ActivePath=p,5&sRF_Exp anded=, p,5.
10 The most recent data available from International Institutions are 2011. See World Bank Group, several editions (1992-2012) World Development Indicators (WDI). World Bank, Washington DC, online, http://publications. worldbank.org/WDI/.
11 Zeneli, V. (2012), "The cost of corruption", Per Concordiam, Journal of European Security and Defence Issues, pp 14-19.

political parties and less than one fifth trust their governments. According to the Democracy Index of EIU, popular confidence is continuing to decline. Some of the countries are considered flawed democracies, such as Croatia, ranking at the highest rank at the 50th place, and Montenegro at the 76th place. Albania and Bosnia Herzegovina are still considered hybrid regimes, respectively at the 90th and 98th place.[12] In many ways, this trend has worsened because of the post 2008 economic crisis. There have been declines in some aspects of governance, political participation and media freedoms, leading to a backsliding of democracy levels.

Another measure used for understanding the impact of TOC and corruption in the social and human development in SEE is the UNDP's Human Development Index. This index, measured in 186 countries, combines indicators of life expectancy, educational attainment and income. The Human Development Index serves as a statistic of reference for both social and economic development, as well as social equity. Not surprisingly, and reinforcing earlier conclusions, the countries that rank higher are Croatia in the 47th place. Croatia is the only country with a very high human development index in the region, followed by Montenegro in the 52nd place, with Albania and Macedonia in the lowest positions, respectively in the 70th and 78th place.[13]

All these problems have also created a negative image of the region among foreign business, political partners and international institutions, creating further obstacles in the Euro-Atlantic integration process.

Way Ahead

Attempts to dislodge or eliminate organized crime are not likely to be successful unless the forces that create the vacuum of power are seriously addressed. Tackling the issue of corruption is the first step to undertake a successful fight against TOC. The gravity of these problems calls for radical measures, strong political will and a comprehensive approach within the countries and throughout the region. Organized crime and corruption both feed and are fed by poverty, underdevelopment and weak institutions. Efforts therefore need to focus on bringing change to these spheres, as well as the economic development of the region.

Legislation is an essential instrument in combating organized crime and corruption, but usually reactive regulation is a frequent and unwise response. Often ineffective or harmful regulations are imposed to curb corrup-

tion and organized crime, as they fail to address the roots of criminality.

Beyond increasing regulation, there is a need for strong implementation of legislation and harmonized regulation across borders. A major problem in some of the SEE countries is the huge gap between the formally adopted laws and the inability of institutions to enforce them. Strong institutional capacities are therefore crucial to address the efficiency of organized crime syndicates. A society could deter crime by making illegitimate activities costlier, increasing the probability of crime detection and the severity of punishments.

Countries should seriously invest in strengthening institutions, and increasing transparency and accountability. This is necessary to create a favorable business environment to attract qualitative foreign investors. Foreign investment would benefit long-term sustainable development and have positive spill over to improve the domestic economy and increase economic competitiveness.

Other dimensions that can play a key role in dispelling the black cloud of corruption and organized crime include civil society, private businesses and a free and independent media. Cooperation and effective partnerships with these institutions would provide sustainability and a long-term approach, assisted by information and communication technology.

Although governments usually limit their actions inside their border, better regional cooperation is imperative. The natural habitat for criminals is across borders. A great number of cooperation instruments exist in the region (at least 9 different initiatives), proving the common security concerns and the willingness to work together. The real problems, however, still lie in the implementation process.[14] Research shows that quite often these regional initiatives have inadequate authority, confused priorities and overlapping competences. Countries, influenced by their past history, are somehow still reluctant to information sharing, hesitant to create regional databases on criminal activities and unable to establish interagency regional cooperation. The progress toward EU integration is an advantage for legislative harmonization, and effective collaboration among countries of the region.

Last, but not least, a well-formulated communication strategy towards the general public is needed. Communication with the public is essential to implement an effective regional strategy to tackle organized crime and corruption as the main security challenges threatening the future of SEE countries.

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IDENTIFYING COMMON STRATEGIES IN THE FIGHT AGAINST DRUG TRAFFICKING – TOWARDS NEW POLICIES AND FRAMEWORKS?

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On May 5 2013, the Sunday edition of the Spanish News Paper, *El Pais*, devoted four articles to the issue of transnational organized crime.[1] The articles covered drug raids in Spain, illegal migration from North Africa and the bust of an organ trade ring operating through Kosovo.

After going through the contributions, one was left with the impression that in today's world, transnational organized crime is one of gravest challenges to peace and economic well-being. This is not surprising if one looks at the facts and figures.[2] The global impact of organized crime is simply mind-boggling. Thousands of homicides are related to organized criminal activity or its battle. In particular, illegal trafficking of drugs reaps incomprehensible revenues; while at the same time, corruption and white-collar crime are costing governments billions. Trafficking of small arms and light weapons prolongs conflict and poses a threat to international stability, as is most evident in Africa. In the worst case, as could be seen in some Latin American and West African countries, organized crime has undermined state structures to an extent that the governmental structures are captured. In a nutshell, organized crime and its effects are grave, and there is no sign indicating that the phenomenon will disappear any time soon. In fact, it seems that the prospects for illicit businesses are much better than those operating in the licit sector. Today, transnational organized crime is more complex, better connected, more flexible and more diverse than ever before.

This paper scrutinizes international legal and regional institutional frameworks to fight drug trafficking and organized crime in order to approximate an answer on whether new policies and frameworks are required. It finds that while new frameworks and policies could be one option to battle organized crime, efforts should rather focus on building on already existent frameworks and policies. However, more political will to fully implement these frameworks is still required. The underlying notion of the domestic responsibility to fight crime still governs many of today's international efforts. This can only be overcome if a profound change in the mindset of national law enforcement agencies and Ministries of Interior is achieved.

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[1]   El Pais, 5 de Mayo 2013, Numero 13.094, Edicion Europa.
[2]   The most comprehensive compilation measuring the impact of transnational organized crime can be found in United Nations Office of Drugs and Crime (UNODC): The Globalization of Crime – An Transnational Organized Crime Threat Assessment, 2010. http://www.unodc.org/documents/data-and-analysis/tocta/TOCTA_report_2010_low_res.pdf, last accessed 16.05.2013.

1. The Emergence of the Debate on TOC

The measurable impact of organized crime varies and some states are more affected than others. Especially in relation to drug trafficking, regions can be qualified as producer-, transit-, or consumer states. It is fair to say, the producer and transit states suffer most. Incidentally states with the weakest governance structures and weak economies also bear the greatest burden. On the other hand, those qualifying as consumer states are often the locus of white-collar crime, causing billions worth of damage to governments and licit businesses. So, most states and regions are in one way or the other affected by transnational organized crime.

Despite its global impact, establishing international frameworks and policies dealing with transnational organized crime is difficult and complex. There are four main arguments to explain this challenge:

1. No internationally agreed upon legal definition on transnational organized crime exists.

2. Fighting (organized) crime is an issue traditionally dealt with by domestic law and domestic security and prosecution organs.

3. The motivation to engage in organized criminal activity is economic as opposed to the political motivation behind acts of terrorism or (international) armed conflict.

4. Transnational organized crime may pose a threat to the survival of some, already weak nation states; but to those with strong governance systems it resembles "only" an increasingly costly challenge but no threat to the nation state itself.

These inhibiting factors notwithstanding, since the 1980s and the U.S.-led War against Drugs, the issue gained importance. However, security policy then had a clear priority of fighting a war between two dominant ideologies. The end of this bipolar world allowed for an acceleration of the integration of the global economy, greatly facilitated by ease of travel, the development of new communication technology and mass media. The volume of licit international trade grew rapidly, and soon the economy was "globalized;" but so was the illicit international trade. As a result, prior to the 9/11 attacks, the surge of organized crime operating across borders around the globe received heightened attention. This attention was heightened by the realization that in many UN-Peacemaking, -building, -keeping theatres violence did not come to an end after peace was achieved, but rather continued. However, violence was no longer informed by political ideology, but by economic interest[3]. It is in this time when the UN Convention Against Transnational Organized Crime was adopted, and the European Union established much of its mechanisms to combat transnational crime.[4]

As a result of 9/11, attention shifted from a "War on Drugs" to the next U.S. war against a phenomenon, the "Global War on Terror" (GWOT), and with it military interventions in Iraq and Afghanistan. However, much of the debate in international humanitarian law on how to deal with international terrorism was strongly informed by a discussion that had its roots in an international approach to address the growing concern about organized crime.[5]

2. International Responses

a) United Nations

Following the Nuremberg and Tokyo prosecution of war crimes and crimes against humanity, the adoption of the UN Genocide Convention defined genocide as a crime under international law. Consequently, the requirement for a permanent international criminal court was discussed, but the debate came to an end in 1954. The Cold War served as a deadlock for substantial progress within the United Nations. Trinidad and Tobago requested that the United Nations General Assembly in 1989 establish an International Criminal Court that would deal with individuals involved in grave crimes against humanity, including drug trafficking. Already in relation to the humanitarian crisis in Rwanda and the Balkans, the establishment of ad-hoc tribunals in Tanzania and the Hague served as precursors for the Rome Statute on the International Criminal Court. The Rome Statute was adopted in 1998 – however, drug trafficking or organized crime were not included in the final document.[6]

Because the ills of transnational organized crime became ever more evident, however, in 1988, the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances was adopted. This Convention, while stressing the need to cooperate across borders, does not allow for the international criminalization of acts attributed to drug trafficking and organized crime. There are several reasons for this. The

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3   See: Eitel, Peter: Failing States: Have the humanitarian interventions during the 90s created them, in: Defence Academy (ed.): Defence Academy Yearbook 2009 – a selection of commended essays, pp. 101-150, HMG/MoD, 2010. available at: http://www.da.mod.uk/publications/library/miscellaneous/424148-Defence-Academy-Yearbook-2009.pdf/view.

4   On the development of the debate on transnational organized crime see: Giraldo, Jeanne; Trinkunas,Harold: Transnational Crime, in: Collins, Alan (ed.): Contemporary Security Studies, pp. 346-366, Oxford University Press, 2007.

5   The debate on how to deal with terrorism in international law is substantial. See Gray, Christine: International Law and the Use of Force, pp. 159 – 195, Oxford University Press, 2004.

6   For a chronology of the establishment oft he International Criminal Court see: http://www.icc-cpi.int/en_menus/icc/about%20the%20court/icc%20at%20a%20glance/Pages/chronology%20of%20the%20icc.aspx, last accessed 16.05.2013.

first and most important reason is that no internationally agreed definition of organized crime exists. The second is that prosecution and judgment fall within national jurisdiction. Because dealing with crime is traditionally a domestic issue, a myriad of varying definitions on what transnational organized crime actually comprises exists. Already the domestic legal definitions of "organized crime" differ greatly.[7] However, without an internationally agreed legal definition of transnational organized crime, international criminalization would not be possible. The third reason that drug trafficking and related grave offences are not included in the Rome Statute is the fear that the ICC would not be able to effectively prosecute these cases, and their number would lead to a quick deadlock of the Court. Fourthly, dealing with offences related to drug trafficking would divert attention from the cases covered by the Geneva Protocol and its Amendments. With the decision to not include drug trafficking, governments re-emphasized that they do not wish transnational organized crime or its specific expression, "drug trafficking," to be part of international humanitarian law.

The definitional sensitivities and the complexity of addressing organized crime in an international legal framework were first addressed in a comprehensive manner when in 2000 the United Nations Convention against Transnational Organized Crime (UNCTOC) was adopted in Palermo, Italy.[8] The document can be regarded as a milestone in international efforts to counter organized crime, and is the first international treaty on the subject.

While not offering a legal definition, the Convention offers an approximation of transnational organized crime[9]. Furthermore, for the first time, states are obliged to criminalize participation in an organized criminal group, corruption, the laundering of the proceeds of crime, and the obstruction of justice. Taking great care to respect domestic jurisdiction and concern, the Convention aims to harmonize domestic law and increase the cooperation between countries in order to counter organized crime more effectively. The UNODC supports governments in the implementation of the Convention and offers concrete tools to facilitate cooperation between law enforcement agencies.[10]

b) The European Union

In Articles 83(1) and 87(2)(c) the EU-Treaty on the Functioning of the European Union requires member-states to harmonize their national laws in order to fight organized crime.[11] According to the Treaty, criminal and police matters within the European Union are treated under the same kind of rules as the single market.[12]

In order to facilitate this harmonization, the European Union offers a "working definition" for organized crime, also used in the EU Strategy, "The prevention and control of organized crime: a strategy for the beginning of the new millennium," adopted in 2000.[13] Based on the UN Convention, this comprehensive strategy is highly technical, and sets forth a concrete agenda of steps to be taken by member states. It was agreed that no later than June 30, 2005, a comprehensive report on the implementation of this strategy was to be presented to the European Council, who would subsequently give further guidance on how to proceed. However, a strategy is always only as good as far as it is implemented.

In conjunction with the Lisbon Treaty, in 2010, the European Union adopted an internal security strategy, which identifies organized crime as the most important threat.[14] Again, this strategy does not offer a clear-cut definition of organized crime, and as a remedy, devises strengthening of cooperation between national law-enforcement agencies and the judiciary. A specific emphasis is placed on joint training programs to enhance cooperation between national law enforcement agencies.[15]

c) The Organization of American States (OAS)

Since 2005, the OAS is developing a "hemispheric plan of action." This year, the fourth meeting of the OAS Technical Group on Transnational Organized Crime was convened. However, the hemispheric plan of action is still a work in progress, although it gives concrete recommendations to member states in its efforts to agreeing on a hemispheric response.[16]

[7]   Hauck, Pierre; Peterke, Sven: Organized Crime and gang violence in national and international law, in: International Review of the Red Cross, pp. 407 - 436 Vol. 92 Number 878 June 2010.

[8]   http://www.unodc.org/unodc/treaties/CTOC/#Fulltext, last accessed 16.05.2013.

[9]   Hauck, Pierre; Peterke, Sven: Organized Crime and gang violence in national and international law, in: International Review of the Red Cross, pp. 407 - 436 Vol. 92 Number 878 June.

[10] Besides datasets and statistics, UNODC tools are available for interested parties online, see: http://www.unodc.org/unodc/en/resources.html?ref=menuside; furthermore UNODC offers specialist scientific and laboratory services to its member states.

[11] http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2008:115:0047:0199:EN:PDF, last accessed 16.05.2013.

[12] http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/111615.pdf, last accessed 16.05.2013.

[13] ttp://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32000F0503:EN:NOT, last accessed 16.05.2013.

[14] http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/internal-security/internal-security-strategy/index_en.htm, last accessed 16.05.2013.

[15] The commission re-emphasized this in the second report on the implementation of the internal security strategy to the European Parliament and Council, by calling upon member states to swiftly move forward in their negotiations on the reform of EUROPOL and CEPOL, see: http://ec.europa.eu/dgs/home-affairs/e-library/documents/policies/organized-crime-and-human-trafficking/general/docs/iss_second_report_com_2013_179_en.pdf, last accessed 16.05.2013.

[16] http://www.oas.org/csh/english/TOC.asp, last accessed 16.05.2013.

The slow advance of this visionary plan is somewhat surprising, as the OAS regards the battle against transnational organized crime as one of its top priorities, and has established a permanent Council on the issue.

A new impetus might be given to the debate in the Western Hemisphere through the OAS Summit to be convened June 4-6 in Antigua, Guatemala. The meeting is titled "For a comprehensive policy to fight drugs in the Americas." Keeping in mind that Guatemala's President, Otto Perez Molina, has been noted for being the first head of state to openly advice the legalization of drug trade, the conference outcome could be of interest to the global debate on transnational organized crime.[17] Furthermore, the peace process in Colombia, coupled with a reform-hungry Mexican President,[18] seeks to tackle its organized crime issue comprehensively. At the same time, however, a power vacuum in Venezuela seems to additionally contribute to making the meeting a milestone in its quest for a comprehensive, regional response to this gravest of the Americas' security issues.

3. In Search for Alternative Approaches

a) The Legal Framework

Without an internationally agreed upon legal definition of transnational organized crime, international criminalization is not possible.[19] From a traditional international law perspective, there are many good reasons to not include organized crime or drug trafficking as its concrete expression to the Rome Statute. At the same time, however, evidence clearly suggests that organized crime perpetrates gross human rights violations, sometimes in a highly organized way, using military-style tactics and equipment. Organized crime is also known to be able to undermine state structures to the extent that the state in question could be left as failed or failing. Last but not least, organized crime prolongs conflict and inhibits development.

The discernible trend of the increasing importance of economically motivated organized crime requires renewed efforts in this regard. While the integration of drug trafficking into the Rome Statute was not possible, those states suffering most heavily from organized crime could seek alternative international legal organs to deal with transnational organized crime. The establishment of Special Tribunals to deal with cases of special concern could be one such alternative. However,

the prospects of changing the legal framework, in other words, criminalizing TOC are very slim, and appear to be an almost quixotic exercise.

b) The Response Policy

Due to the difficulties to reach an internationally agreed upon legal definition of organized crime, the frameworks discussed above focus their attention on harmonizing domestic law and fostering cooperation between national law enforcement agencies. In this respect, much has been achieved in recent years, most noteworthy in the European Union, with Europol playing a very important role. However, especially in the field of policing, this has been a long-standing approach, dating back to the establishment of Interpol in 1923.

While there is no argument that cooperation between national agencies across borders is the foundation for a successful battle against organized crime, it is the quality of this cooperation that is decisive. The quality of cooperation strongly depends on the mindset that triggers cooperation. When discussing cooperation in matters usually covered by domestic law and under the sole responsibility of national law enforcement agencies, cooperation with other agencies is not the first option. There is no culture of "alliance building" between law enforcement agencies, as one can find in the military. Rather, the territorial scope of work is clearly defined, and no allies are needed. However, the challenge of TOC requires domestic law enforcement agencies to behave counter-intuitively, and to reach out to each other. In other words, the wall once established to protect the medieval town against the barbarians living in the surrounding forest has to be torn town, and roads to be built into the very forest. Hence, the building of a more expeditionary mindset within domestic law enforcement agencies is the most important foundation for state actors to seriously engage transnational organized crime. One of the most important characteristics of TOC is its ability to adapt to new circumstances. Exposure to the challenges faced by other law enforcement agencies could be an important ingredient to achieve the flexibility of domestic agencies to effectively trace down organized crime networks.

4. Conclusion

In conclusion, is there a requirement for new frameworks and policies? Looking at the speed of the processes behind the establishment of new frameworks or policies, it seems ill advised to choose such an option. Inherent in the search for new responses, lies the assumption that with a new strategy, organized crime will disappear. This is highly unlikely, as crime has always been found in society. Rather than devoting resources to this end, it is suggested here that the political leadership of all countries affected by organized crime need to pay more attention to the frameworks already in place. This applies both to states classified as a producer,

[17] http://www.elperiodico.com.gt/es/20120211/pais/207877.
[18] International Crisis Group: Pena Nieto's Challenge: Criminal Cartels and the Rule of Law, Latin America Report No 38, 19 March 2013, available at: http://www.crisisgroup.org/en/regions/latin-america-caribbean/mexico/048-pena-nietos-challenge-criminal-cartels-and-rule-of-law-in-mexico.aspx, last accessed 16.05.2013.
[19] Hauck, Pierre; Sven Peterke: Organized crime and gang violence in national and international law.

transit and consumer countries. Only with political will can existing frameworks be fully implemented.

The battle against one of the most important current security challenges requires thinking and acting outside the box without rocking the boat. At the end, organized crime offers a non-traditional challenge to international security and the international community still struggles to provide appropriate legal and policy responses. Legal responses are difficult because perpetrators of organized crime are not subject of international law, which governs the relation between states. Operational responses are based on voluntary cooperation between law enforcement agencies across borders. State responses lose their potential ability to response to this grave threat as they do not devote the significant resources required to facilitate this cooperation. International and regional responses seeking to foster cooperation should seek to minimize frictions in cooperation by providing support to specific institutions like Europol or UNODC.

TURKEY'S ROLE IN THE FIGHT AGAINST TRANSNATIONAL ORGANIZED CRIME IN SEE: CHALLENGES AND OPPORTUNITIES

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Southeast Europe is comprised of several countries and nations. Several conflicts occurred throughout the very recent history after the collapse of the former Yugoslavia, and there still are areas of conflict. However, steps are being taken to build a more stable Southeast Europe. Former initiatives in the region, namely the Stability Pact as well as the Regional Cooperation Council (RCC), had some effects on the region.

Despite existing incoherence in the region, regional integration is not so distant. One of the major contributions to regional stability seems to be the integration processes of the countries into the European Union. The most recent and successful example is Croatia's EU accession process. After 10 years of efforts, Croatia will be the 28th member of the Union on July 1, 2013. Current negotiations as well as candidacy processes of countries in Southeast Europe will positively affect the situation.

Despite the positive processes towards a more stable Southeast Europe, a major challenge for its stability is the existence and activities of transnational organized crime groups located in the region and linkages with their international partners. Modern organized crime groups are structured in a lesser hierarchy, act flexibly, and are based on a division of labor. Members of these groups are not characterized by homogeneity. They may be from different countries and ethnic backgrounds, and represent legal and illegal entities. They may be located in different countries and communicate with each other through the Internet or other difficult-to-detect communication channels. Therefore, it is quite difficult to identify organized crime members acting internationally and Southeast Europe is, of course, no exception.

Transnational criminal networks in the region have connections with Northern and Western Africa, Central Asia, Middle-East, China, and several European destinations. Being at the crossroads of Asia and Europe, and having close geographical, political, and economic relations with the countries of the region, Turkey plays a significant role in the fight against organized crime. However, several issues need to be addressed before explaining its role.

Challenges

There are various domestic and international characteristics that make a country/region hospitable to organized crime. The domestic reasons are official corruption, weak legislation, poor enforcement of existing laws, non-transparent financial institutions, geographical location, lack of respect for the law, lack of border security, and economic problems. In addition to in-

country determinants, there are also international elements that pave the way towards an unstable environment. These are globalization, mobility of people and goods, border disputes, availability of communication and transportation facilities, closeness to the conflict areas, and regional geopolitical matters.

One of the key challenges in the fight against organized crime is the involvement of terrorist organizations in organized criminal activities. Sources underline the fact that various terrorist organizations in the world have interests in transnational criminal activities, including drugs smuggling, human trafficking, illicit trade of arms and migrant smuggling. According to the Drug Enforcement Administration (DEA) of the USA, for example, the Revolutionary Armed Forces of Colombia (FARC), the Tamil Tigers of Sri Lanka, the Shining Path of Peru, and the Basque Fatherland and Liberty of Spain (ETA) are listed among these organizations. The Kurdish Workers Party (PKK) has also been involved directly or indirectly in migrant smuggling, drug trafficking and other smuggling of goods at the Turkish-Iraqi and Turkish-Iranian as well as Syrian-Turkish borders.

According to a recent Interpol survey, Turkey, Slovenia, Romania, Croatia, and Germany reported direct linkages between migrant smuggling and the PKK in their territories. The most striking of these linkages is that the PKK not only organizes the transportation of illegal immigrants, but it also takes care of the asylum applications of the smuggled migrants in their destination countries. In addition to migrant smuggling, the same report addresses the involvement of the PKK in the trafficking of human beings in 13 European destinations. Having operational connections in drugs smuggling, Southeast European countries are not exempt from this threat.

Geographical location seems to be another major challenge. Southeastern countries are major transit points for the smuggling of people and goods to the EU member states. Located between the source and destination of migration, Southeast European countries are major transit points of illegal immigration. Moreover, these directions are similar in drug trafficking, in which the old Balkan route continues to be a major hub for heroin trafficking. In terms of trafficking in human beings, major source and transit countries are located in the region.

Existence of flexible transnational criminal networks in the region and their counterparts in different parts of the world creates another threat to regional stability. Furthermore, the interconnection between formerly separate domestic underground markets and the mobility that increased across national borders create further tension. Currently, for example, cocaine is an emerging threat for Europe, and Western African criminal groups are the foremost players in this illicit business. Using couriers, almost all available transit and target routes

are tried by these networks to make cocaine available in Europe. A Europol report on organized crime groups shows that Albania, the Former Yugoslav Republic of Macedonia and the Kosovo region are important locations for storage and repackaging of transported illicit drugs. Acetic anhydride, destined for production areas, also transits the region.

Corruption is a major obstacle to democratic development. The 2012 Corruption Index of Transparency International lists the perceived levels of public sector corruption in the countries of the world. According to this survey, countries are listed in rankings. The best country in this regard is Denmark as the 1st in the list, while Somalia is listed as the worst at the 174th position. Turkey is listed as 54th, Croatia as 62nd, Romania as 66th, the FYR Macedonia as 69th, Bosnia-Herzegovina as 72nd, Bulgaria and Montenegro as 75th, Serbia as 80th, Greece as 94th, and Albania as 113th. Although most of the Southeast European countries are at medium ranges compared to other countries, it is apparent that more anti-corruption measures are needed in the region.

Of all challenges in countering organized crime, it seems like the current illicit markets, readily available supply, and huge demand for illegal services are major obstacles in this fight. A United Nations Office for Drugs and Organized Crime (UNODC) report shows that, due to high demand, cocaine is an emerging threat for Eastern Europe. However, another UNODC report addresses major organized crime threats in the region due to the heroin trafficking sourced from Afghanistan. It is estimated that 80 tons of heroin are trafficked every year by traffickers using the routes within the region. The estimated value of the trafficked drugs is calculated as USD 20 billion, and local groups are referred to as the major stakeholders in this illicit business. Moreover, in terms of demand by local people, this development may also pose a danger of drug addiction. According to the 2012 World Drug Report, the rate of Cannabis use among adults is around 2.7%, while the use of Opiates (including heroin) is about 0.8%, the use of cocaine is 1.3%, and the use of ecstasy is estimated to be 0.8% in Southeast European Countries.

Another factor that may negatively affect regional stability is the emergence of domestic conflicts and wars that occur in areas close to the region, such as the so-called "Arab Spring," in which thousands of people had to leave their countries. Syria is a recent example of this population expulsion. Starting in March 2011, an estimated 72,000 people died in the Syrian Civil War. Opponents of this conflict and those who had to flee from their homelands sought asylum in bordering countries such as Turkey, Jordan, Lebanon, and Iraq. As of May 2nd, 2013, UNHCR estimated the number of Syrian asylum-seekers to be over 1.4 million. 323,000 of them were settled in Turkey. One problem facing these thousands of refugees from Syria is the lack of regional asylum options. Some try to reach a European country

through illegal routes, connected with transnational organized migrant smuggling groups. For example, in 2012, the number of Syrians who attempted to illegally exit Turkey was 7,712, while the number was 1,648 in 2011, 912 in 2010, and 713 in 2009. The current figures on the number of Syrian illegal immigrants show that 4,074 Syrian illegal immigrants were captured just in the first four months of 2013.

Turkey's Role in the Fight against Transnational Organized Crime

Turkey has been experiencing different types of transnational organized crime (TOC). Turkey is also a source, transit, and destination country for various smuggling activities. These include drugs smuggling, human trafficking, migrant smuggling, oil smuggling and cigarette smuggling. Turkish National Police, Gendarmerie Command, Customs Protection Authority, and Coast Guard Command are major institutions combating these crimes.

A brief analysis of recent efforts in anti-smuggling and organized crime reveals important dynamics. Turkish law enforcement authorities captured 11 tons of heroin in the year of 2012, while it was 6.4 tons in 2011, and 12.7 tons in 2010. Heroin is usually transported from Afghanistan, to Turkey through Iran, and most of it is tried to further transport into Europe using the Balkan Route. Some 46 tons of cannabis were seized in 2011, and 74 tons of cannabis in 2012. Security forces recently detected and destroyed cannabis plants that were illegally cultivated in fields belonging to the PKK terrorist organization. Police captured 589 kg of cocaine in 2011, and 402 kg of cocaine in 2012. These drugs are brought to Turkey by Nigerian, Brazilian, Thai, South African, Kenyan, Peru, and Colombian couriers. In addition, over 2.5 millions of synthetic drugs were seized in 2011, and 1.9 millions of captagon and ecstasy were seized. Most of these synthetics are produced in the Netherlands and Belgium and transported to Turkey.

Police operations also targeted migrant smuggling organizations. Some 1,035 migrant smugglers were arrested in 312 police operations. Syrian, Palestinian, Georgian, and Afghan illegal immigrants comprised the top 5 of the list. The number of illegal immigrants captured while they try to exit or enter Turkey, as well as while they were staying in Turkey, reached 44,415 in 2011 and 42,690 in 2012. Experts point out that two-thirds of the illegal immigrants was intercepted while they attempted to exit Turkey.

In the latest report of the Department of Anti-Smuggling and Organized Crime (KOM), 16 million tons of smuggled oil and petroleum products were seized in 2012 with a 59% increase compared to previous year. The police also seized 99 million boxes of smuggled cigarettes. These products were mostly packaged or shipped from China, Bulgaria, and Dubai, and transited from Syria, Northern Iraq, Egypt, Romania, Georgia and/or Iran. The number

of captured illicit cigarettes increased in 2012 by almost 1/3 compared to 2011.

Opportunities

Although many challenges and obstacles exist, there is also a series of opportunities and good practices that can play a significant role in the region in the fight against organized crime, in which Turkey can play a strong role. The current advantages can be the existence of security cooperation agreements, ongoing training activities, availability of judicial cooperation, joint operations, and use of liaison officers in sharing information and intelligence. In addition, international and regional actors may also play a useful role in countering organized crime.

One of the most important advantages that Turkey and Southeast European countries have is the existence of bilateral security cooperation agreements. These agreements stipulate the sharing of information, intelligence, and risk analysis, conducting joint and covered operations, and organizing training activities. The cooperation areas include illicit trafficking of narcotic and psychotropic substances, cyber crimes, smuggling of cultural materials, money laundering, human trafficking, migrant smuggling, arms smuggling, forged and falsified documents, and financial crimes.

Under the promises of these cooperation agreements, up to the beginning of 2013, 424 Albanian officers, 369 Montenegrin officers, 438 Bosnian, 2,279 Kosovar, and 496 Macedonian law enforcement officers were trained in various courses in different fields; most of them included anti-smuggling and organized crime. These training initiatives were not limited to the security cooperation context. Established in 2000, the Turkish Academy against Drugs and Organized Crimes (TADOC) provided trainings to 84 countries to officers mostly from Southeast European, Central-Asian, and Middle-Eastern countries. The Academy is accredited as a quality-training agency by the UNODC and the OSCE. It has fixed and mobile training teams and also provides online training programs where available.

The Southeast European Law Enforcement Center (SELEC) provides opportunities in countering organized crime, especially in major fields such as illicit trafficking of drugs, migrant smuggling and trafficking in human beings. According to SELEC reports, 60 joint investigations have been carried out in which 11,320 data reports were shared with counterparts, and 5 joint operations were successfully conducted. The center has facilitated operations against drugs smugglers, and controlled delivery practices were achieved by the participation of Turkish-Greek and Macedonian law enforcement authorities. Turkey is also coordinating the Center's Terrorism Task Force since 2003.

In terms of joint operations, Turkish National Police also shares information with its counterparts in Europe to disclose migrant smuggling networks. According to a recent UTSAM report on migrant smuggling, 8 joint operations were conducted together with Turkish, German, Italian, Bulgarian, French, Croatian, and Greek law enforcement authorities in 2011 and 2012. The operations resulted in the capture of 1,013 illegal immigrants by Turkish authorities, and 698 illegal immigrants by Greek and Italian authorities. In the same operations, Greek and Italian police arrested 17 smugglers, while Turkish National Police intercepted 100 smugglers. In these operations, Greek Border Police seized one shipping boat, while Italian authorities seized four shipping boats that were used in migrant smuggling.

In terms of judicial cooperation, there seems to be no problem in extradition practices and request for rogatory commissions. Although the frequency of these requests is quite low, Turkish experts underline the importance of trust between Turkey and Southeast European countries on judicial and police cooperation. Turkey has also signed readmission agreements with Bosnia and Herzegovina (2012) Romania (2004), and Greece (2001) from this region. These agreements allow states to deport illegal immigrants back to each other if illegal immigrants pass through the party state's territories.

Conclusion

The first and foremost issue that can be emphasized is that organized crime groups will always enjoy the conditions that feed them. Without eliminating these factors, anti-organized crime efforts most likely will fail. Therefore, it is necessary to eliminate these conditions. Some of these might be inevitable such as emerging conflicts in other parts of the region. However, most of them can be enhanced by regional and local initiatives.

Turkey's close relations with Southeast Europe have some advantages and disadvantages considering its potential support to regional initiatives in countering organized crime. Among the difficulties is its geographic location as a transit passage of smuggling routes. It also faces the challenge of bordering a couple of conflicted areas. On the other hand, however, Turkey provides several opportunities to the region, such as support mechanisms for law enforcement capacity building, involvement in joint operations and investigations, and using mechanisms in existing security cooperation agreements. Finally, in addition to Turkey's support, the EU integration processes of the countries seem to be the major trigger and facilitator of stability and peace in the region.

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WHAT DOES THE PUBLIC THINK ABOUT ORGANIZED CRIME? FRAMES, PERCEPTIONS AND IMPLICATIONS FOR THE EU IN SEE

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Abstract

Public perceptions play a key role in the success or failure of policies. This is especially true for policies addressing transnational problems, such as organized crime, that require international coordination, good neighborly relations and a shared understanding across countries, bureaucracies and cultures. To this end, content analysis can be a helpful analytical tool in organized crime studies and research. This paper uses a computerized content analysis method, to analyze data from Twitter and examines how its users frame the notion of "organized crime."

1. Introduction

Social chatter, in both the virtual and the real world, can capture the pulse of society. The frenzied growth of "status updates" on social media websites generates new information and can reveal a lot about public perceptions. Micro-blogging like Twitter and Facebook allow us to capture and analyze this social chatter in a cost-effective and timely manner. As one would anticipate, these new technologies have a widespread application for studying the effectiveness of governments' communication strategies on security issues. Of a particular political and economic interest is the so-called 'fight against organized crime.'

What do people perceive organized crime to be? Is this perception in harmony with current policy objectives? What are the major obstacles and opportunities for communicating an anti-organized crime agenda?

As the boundaries between *realpolitik* and *hyperpolitik* are blurring, maintaining a good grasp on today's information and communication needs has become paramount. For the Western Balkans, the stakes are high as the fight against corruption and organized crime is central in the EU's integration process. Social media produce a wealth of information that remains untapped. With over 600 tweets being made per second, the challenge is to transform the chaos of social chatter and unstructured data into actionable information for building an effective communication strategy.

The paper uses discourse analysis to examine a large number of tweets about organized crime over a 12-month period of time. The goal is to demonstrate how to distill key information from online textual data that can enhance ongoing information campaigns about organized crime.

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2. The Organized Crime Paradox

From a communication perspective, the 'fight against organized crime', is a double-edged sword. Whilst in the short run, the anti-organized crime agenda may increase public confidence and trust; this position can be reversed over the long term, to the extent that the public perceives governments to be corrupt. The organized crime paradox arises from the fact that state making, war making and governance, to use Charles Tilly's analogy, have a close resemblance to what one would call 'organized crime".[2] Let me briefly elaborate on the mechanism behind this paradox.

Evidently, persistent anti-organized crime rhetoric generates significant political and communicational benefits. First, the public receives assurances that democracy, law and order, and prosperity will be improved. In economic terms, this rhetoric signals that the public purse will be protected from plundering, and tax revenues will consequently be lowered. The general public anticipates that everyday life will be drastically improved.

Second, a strong anti-crime agenda enables political candidates to create a clean political profile, rebuild public trust and secure a majority vote in parliament. Election campaigns, especially in South and Southeast Europe are increasingly dominated by anti-corruption rhetoric.

Third, organized crime is a cross-border activity that affects more than one country. Thus, countries with a strong anti-crime agenda are more likely to raise their international profile and strike better cooperation agreements in other areas of interest.

However, there is a blowback effect associated with the aforementioned communication strategy. Unlike ordinary criminality, organized crime has some additional layers of complexity. Notably, the interests of organized crime, political elites and of the security apparatus are sometimes interwoven.[3] The embeddedness of organized crime is not only evident in countries suffering from clientelism, inefficient bureaucracies and endemic corruption.[4] The symbiotic tie between legality and illegality is pervasive and becomes even more apparent and problematic when the anti-organized crime rhetoric is applied at the international level. Let us very briefly review the trajectory of this international rhetoric in recent years.

After the end of the Cold War, transnational organized crime emerged as a top agenda item. Setting up international police and judicial networks to tackle organized crime has now become a standard international practice.[5] After all, the 'fight against organized crime' leaves no room for diplomatic maneuvering and unequivocally places most, if not all, democratically elected governments on the allied side. The "enemy", or the international threat in the post Cold War era, has taken the shape of malevolent non-state actors like smugglers, pimps, drug kingpins and murderers. However, the economic, political and social embeddedness of these malevolent actors means that they are now part of the global financial system. The paradox that arises is that the international community now expects states to take firm action against this so-called threat, in order to achieve economic development, stability and prosperity. Even, if the truth lies somewhere in between, the fact of the matter is that regions like the Western Balkans need to increase their performance on the frontline against organized crime, in order to join the club. The question that remains is what is the most effective way to communicate their achievements?

3. Method and Data

The aim is to understand how people perceive "organized crime" and how this perception relates to the EU's 'fight against organized crime.' This is an important question because tackling organized crime and corruption is a pre-accession requirement for entering into the EU.

Semi-automatic content analysis was undertaken to identify and examine frames and narratives in social chatter. First, an automated method was used to empirically collect textual data that included "organized crime" narratives. This process involved harvesting textual data from online open forums. The textual data was then analyzed and shorted with the use of appropriate computer software, to allow for isolation and identification of narratives. Subsequently, a hermeneutic analysis of the isolated phraseological patterns, keywords and collocations was conducted to flag out frames and narratives in the data.

The social networking site Twitter was used to retrieve the bulk of the primary data. Using the Twitter search engine, a sample of 12,700 individual status updates (tweets) was collected, covering a period of 12 months. The size of the body of text (text corpus) is around 300,000 words. Exclusion criteria were used in the

[2] Tilly, C (1985) 'War Making and State Making as Organized Crime', in P.B. Evans, D. Rueschemeyer and T. Skopol (eds) Bringing the State Back in, Cambridge: CUP.

[3] Chambliss J. W. (1971) 'Vice, Corruption, Bureaucracy and Power' *Wisconsin Law Review* 1971(4):1150-1173; Chambliss J. W. (1988) On the take: from petty crooks to presidents (2nd ed) Indianapolis: Indiana University Press; Gallant, T. W. (1999) 'Brigandage, Piracy, Capitalism, and State-Formation: Transnational Crime from a Historical World-Systems Perspective' in Josiah McC. Heyman (ed) *States and Illegal Practices,* Oxford: Berg.

[4] Kleemans, R. E. and Van De Bunt, G. H. (1999) 'Social Embeddedness of Organized Crime' Transnational Organized Crime, 5(1): 19-36.; Cohen A. K. (1977) 'The Concept of Criminal Organisation' *The British Journal of Criminology* 17(2):97-111.

[5] Andreas, P. and Nadelmann, E. (2006) *Policing the Globe: Criminalisation and crime control in international relations*, Oxford: Oxford University Press.

searches, creating two categories (cases) of tweets. The first search (Case 1) retrieved tweets that mentioned "organized crime", but did not include further web links. The second search (Case 2) included tweets that mentioned "organized crime" and contained links to other online resources, such as online articles or blogs (see table 1).

Table 1. Word count and number of tweets

	Case 1 Tweets with no links	Case 2 Tweets with links	Total
Word Count	87,000	208,000	**295,000**
Unique Words	18,000	29,000	**47,000**
Number of Tweets	4,000	8,700	**12,700**

In the first case, it is anticipated that the tweets will have a more personal or independent tone, whereas in the second group, we expect to find frames and narratives influenced by the news article attached to the tweet.

4. Frame Detection

Once the corpus of the text was completed and tested for consistency, various shorting techniques were used to start narrowing down the frames. The computer software AntConc (freeware) was used to perform these tasks.

Wordlists

The textual data were shorted into two wordlists, one for each case. Each wordlist was then shorted according to word frequencies. Words with high frequency appear at the top of the list, whilst less popular words settled in the lower parts (Table 2). The aim was to identify high frequency keywords within the wordlists that might indicate the presence of reoccurring frames. Selected keywords were subsequently reviewed in context.

As expected, in both cases the words with high frequency were mainly grammatical markers and were excluded from further analysis. Table 2 shows the 20 most frequent words for the two sampling groups. A visual comparison between the two lists allows us to deduct some very interesting preliminary conclusions.

In the first sample (Case 1) we can clearly see the personalized nature of the tweets. Words representing ac-

tions and objects, like "term", "tests", "text", "glossary", "question", "working", "dead", "bored", and "term", indicate interpersonal communication between students. Further searches of the keywords in context shows that the tweets in question are part of an exchange within a group of students, most likely studying for an exam or a term paper on organized crime.

Similarly, when investigating the tweets that featured a link (Case 2), we note the more communicative nature of this sample. For instance, "news", "media", "blogspot" and "report" have a high frequency and this pattern is indicative of the more informative character of the tweets. This conclusion justifies the initial hypothesis that the presence or absence of a link indicates the genre of the tweet.

There are some additional conclusions that we can draw from visually inspecting the two wordlists. After examining the first list we can observe that the word "government" appears at the bottom. Although the same keyword does not appear in the second wordlist, we can nevertheless, see a large number of keywords with high frequencies that mention government institutions like, "UN", "FBI", and "UNOCD".

Table 2. The 20 most frequent words per case

Case 1 Tweets with no links	Case 2 Tweets with links
organized (3984)	crime (8089)
crime (3976)	organized (7478)
racketeering (273)	news (1081)
serious (240)	Carroll (899)
police (212)	trust (870)
between (200)	UNOCD (815)
difference (171)	case (756)
working (152)	police (744)
dead (147)	new (665)
computer (146)	Mexico (662)
question (143)	FBI (637)
online (142)	media (515)
drugs (140)	transnational (463)
term (137)	US (458)
tests (137)	biggest (432)
key (136)	drug (423)
text (135)	blogspot (332)
bored (129)	report (327)
glossary (128)	UN (318)
government (126)	Carrolltrust (305)

After conducting further searches for all the above-mentioned keywords related to governmental institutions, a key frame was detected. The word "government" was found in tweets (Case 1) that emphasize the symbiotic links between 'organized crime" and governance or politics. The keyword "government" was also detected in the second sample of tweets with a frequen-

cy rate of 186. However, most of these tweets do not reflect any negative or critical meaning.

This observation supports the hypothesis that there is a tendency within the general public to perceive or equate governments with organized crime. Upon further inspection, it was noted that the terms "organization", "organized", "criminal" and "corruption" are the key anchors that prompt people to think governments as organized crime and vice versa. The following section will use cluster analysis to identify links between one or more frames and narratives.

Linking frames

Clusters are words that are found repeatedly together in each other's company, in sequence. These repeated lexical patterns suggest a strong connection between words and their semantic meaning. I searched the clusters of words in the immediate vicinity of the keyword "organized" to identify possible links between frames in the two original samples.

Table 3. The most frequent clusters for "organized"

Case 1 Tweets with no links	Case 2 Tweets with links
organized crime	organized crime
organized religion	organized religion
organized labor	organized labor
organized violence	organized criminals
organized @racism	organized drug
organized arguing	organized retail
organized ball	organized terror
organized business	organized #tax
organized government	organized ... - capital
organized international	organized ... - waste
organized money	organized corporate
organized music	organized environmental
organized NYE	organized governance
organized sports	organized high
	organized rock
	organized shooting
	organized students
	organized terrorists
	organized youth
	organized, malicious

Table 3 shows the most frequent clusters for the keyword "organized" in both samples. The analysis turned up some very interesting linkages between different frames. In the first group of tweets, we see that "religion", "labor", "racism", "business", "music", "sports" and "government" have strong correlation with the keyword ("organized"). Given that the sample of tweets collected for this paper has "organized crime" as their main theme, the possibility that these clusters emerged by chance is very low. This supports further the previous observation that there is a strong tendency to converge "organized crime" and "governance".

Cluster analysis provides also a new insight as regards the expectation that the second sample of tweets will be more conservative. For the second group, we anticipated to find language that will mirror the institutional discourse used by state actors. This assumption was based on previous observations that people are "talking like a state" when it comes to organized crime.[6]

Indeed, the visual inspection of the wordlist, as well as the subsequent searches for keywords in context in the second sample, supported this assumption. However, the cluster analysis correlated the keyword "organized" with "religion", "labor", "tax", "corporate" and "governance" suggesting the presence of a more critical narrative, similar to the one identified in the first sample.

There are also two new interesting frames that emerge when looking at the clustering of words in the second sample. The keywords "terrorists", "terror", "students" and "youth" appear to have a close clustering relationship with the concept of "organization" (see table 3). Terrorism is very often put on the "organized crime" frame and the literature on the crime-terror converge is indeed well established. Respectively, the correlation between "students" and "youth" seldom share the same frame or narrative with organized crime.

Europe and the Balkans

The low frequency of mentions of the EU or the Balkans in the examined data is captivating. After lemmatizing the wordlists of both sample groups, the EU narrative remained fairly hidden in the text. In the first group there are only 42 counts of lemmatized keywords with a reference to Europe, whilst for the second group the total number of mentions is about 300 (Table 4). A comparison between Tables 2 and 4 indicates that the EU discourse has a more silent presence within the examined sample of tweets.

Also, it is unforeseen that there are no mentions of "integration" anywhere in the body of text and only four tweets mentioned "regional cooperation" with a direct reference to the Balkans.

Likewise, references to the Western Balkan countries have a remarkably low frequency in the examined data. Table 5 shows the recorded frequencies per country. Cluster analysis revealed positive connotations in the language used in these tweets. Some of the high frequency words that collocated with countries mentioned in table 6, include, "arrests", "launched", "seizes" and "reforms".

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6   Gootenberg, P. (2009) 'Talking about the flow: drugs, borders, and the discourse of drug control' *Cultural Critique*, 71: 13-43.

Table 4. Number of EU/Europe mentions in the data

Case 1 Tweets with no links	Case 2 Tweets with links
euronews (10) europa (1) europe (9) european (4) europol (5) euros (1) EU (12)	EU (120) euro (10) euroaddict (1) eurodrachme (2) europ (1) europa (6) europarl (2) europarlpress (1) europarltv (2) europe (66) europea (1) european (41) europeanvoice (1) européen (1) europenews (3) europes (1) europo (1) europol (32) euros (5) eurosavant (4) eurovegas (2) eurozone (2) eurozoner (1)
Total mentions: (42)	Total mentions: (306)

Table 5. Mentions of Western Balkans

Case 1 Tweets with no links	Case 2 Tweets with links
bosnian (1) macedonia (fyrom) (1) serbia (1) albania (2) turkey (2) kosovo (3) balkans (3) montenegro (4)	croatia (2) macedonia (fyrom) (5) turkey (12) montenegro (14) albanian (42) serbia (44) kosovo (52) bosnia (83) balkan (164)
Total mentions: (17)	Total mentions: (418)

5. Framing and Reframing "Organized Crime"

The fight against organized crime has been a priority item on the agenda of the international community and a key requirement for EU accession. There is a mounting pressure on prospective EU members to achieve further regional integration and cooperation in criminal matters. Due to the complex nature of the problem, achieving good performance results in this area requires careful planning and a well-defined communication strategy. Public discourse and rhetoric form an essential part of this effort. We should also keep in mind that in times of economic and political uncertainty, people are growing more critical of their government. The main thrust of this research is to use quantitative discourse analysis to better understand the public perception of organized crime.

A reoccurring pattern that surfaced after inspecting a large number of tweets is the semantic link between organized crime and other legitimate forms of authority. The analysis indicates that the term organized crime lacks semantic and definitional clarity. The notion of 'organization' seems to be causing confusion as people draw analogies with political and financial institutions.

From a communication perspective, this is not only confusing, but also paradoxical as noted earlier on in the article. Further research should look into more effective ways to communicate the problem of serious criminality, whilst avoiding the framing problem mentioned above. Ways to reframe 'organized crime' should be explored, whilst taking into consideration the issue of regional integration. The fight against organized crime might be an appealing concept for an elite group of specialists and experts, but it has serious shortcomings.

THE EU AND THE WESTERN BALKANS IN THE FIGHT AGAINST CORRUPTION AND ORGANIZED CRIME

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Many years after the collapse of Yugoslavia, the Western Balkan countries continue to undergo challenges to their transition to independent statehood, such as setting up new institutions, transforming the centrally planned economy into a market oriented system, and modernizing society. Solutions prepared, mostly by American and European Union diplomats over the last decades, have been of little help to local policy-makers to set up good governance in their countries. Already weak institutions and inefficient bureaucracies are further confronted with the problem of revitalizing economies. Western Balkan states must address these challenges in a context of global financial strain, and a dreadfully disappointed civil society.

Despite these difficult conditions, many countries in the region became part of the EU Stabilisation and Association Process (SAP) and accepted to undergo the challenge of implementing important reforms in many areas, and especially to curb corruption with appropriate measures. Implementing functioning legal systems and rule of law is a crucial condition that local political élites are required to meet in order to be considered reliable candidates for EU membership.

Organized crime and the problem of corruption and illegality in particular have a major impact on the democratization process and significantly affect the EU's attempts to approach the Western Balkans. The unrelenting pressure of the EU to act against corruption has already produced some positive results and, in the long term, possibly will give way to a reversal to the road towards integration in the EU, as the recurrent clashes in many Western Balkan states showed.

This analysis aims to discuss some aspects of the transition processes in the Western Balkan states by focusing on the rule of law influence – and in particular on the fight against corruption. The challenges facing Balkan states in the rule of law is paradigmatic of how local political élites are managing cooperation with the EU. At the highest level, corruption affects institutions, judges, and customs officials. At the lowest level, it obliges citizens to give up seeing a doctor, even when necessary, unless they are able to pay a bribe to obtain treatment. Old-fashioned political elites and inexperienced leaders struggle to balance multiple challenges at the same time, including managing the problems of the transition process, stopping criminal clans from exploiting their strategic position on the Balkan Route, and, fulfilling the required EU conditionality. In this context, civil society is perceived to be a driving force in the fight against corruption and towards the modernization process in almost all countries, and its presence is constantly demanded in all anti-corruption bodies.

This article's theoretical framework deals with Magen and Morlino's analysis of veto players and change agents in democratization processes in Eastern and Central European countries. According to the authors, the influence exerted by veto players could constitute an obstacle, while change agents mobilize decision-makers to adopt democratic rules, but also engage them in the process of persuasion and social learning to redefine their interests and identities.[1]

The main assumptions of the article are two-fold. First, in the Western Balkans, the policies and efforts produced at the EU level are severely constrained by the weakness of the current political class. Second, the involvement of the most vigorous sectors of civil society could represent a way forward to successfully proceed with EU integration. As these sectors suffer corruption, the concrete support to NGOs and other groups is underestimated.

Organized Crime and Corruption Influence on Political and Social Life

The end of communist political regimes, the breakdown of the old ethnic balance, the outbreak of civil wars, and the rise of new kinds of political and social actors in the Western Balkans favored the rise of criminal activity. Weak institutions and inefficient bureaucracies were confronted with managing depressed economies and inflation in the face of a very dissatisfied populace. In this difficult context, a variety of groups used the conflicts as a means to profit from illicit activities, trading not only weapons and human beings, but also nuclear materials, cigarettes, and, above all, drugs.

Serbian, Macedonian, Kosovar and Albanian clans established a solid network reaching into all parts of the Southeastern Balkans. They created drug routes and a solid network of relationships with local police officers, civil servants, businessmen, and former intelligence officers. Politicians – at local, federal and national levels – were not excluded. Government leadership did not stand in the way of this illicit economic system, and many used it for personal gain and to consolidate political power. In the developing countries in the Balkan region, and in the South Eastern part in particular, organized crime and political institutions have clearly established mutual relationships, by weakening the rule of law. These relationships permeate all aspects of the state system, producing a high level of corruption. After the fall of the Berlin Wall, several political scientists described the situation as the 'Balkanization' of politics. The situation also offers a chance to reflect on the development of what Ethan Nadelmann defines as 'institu-

tionalized corruption,' and how criminal organizations are able to profit from it.[2]

Among the severe problems, which are still affecting the Southeast European countries, political and institutional corruption is one of the most insidious. Following the World Bank's widely accepted standard definition of corruption as the use of public power for obtaining private gain; this analysis will focus on grand corruption and on those practices that involve various local political, social and economic actors.

Despite the difficulties in measuring corruption, the article uses various local factors, and reports made by UN agencies, international and regional organizations allow to reflect on the influence of corruption and its perception. In its Corruption Perceptions Index of 2012, Transparency International provides a good indication of the current situation (See Table 1).[3]

Table 1 – Corruption in Western Balkan Countries

Country	Rank	Score	Control of corruption
Albania	**113**/176	**33**/100	-0,42
Bosnia	**72**/176	**42**/100	-0,31
Macedonia	**69**/176	**43**/100	-0,59
Croatia	**62**/176	**46**/100	-0,45
Serbia	**80**/176	**39**/100	-0,21
Montenegro	**75**/176	**41**/100	-0,21
Kosovo	**105**/176	**34**/100	-0,64

Source: Transparency International, Corruption Perception Index, 2012

The Table combines three main criteria, in order to identify the country's position on a global scale. It also shows the level of political control in fostering corruption and illegal practices. Following the World Bank criteria, scores range from 0 (highly corrupt) to 100 (very clean). Control of corruption reflects public perceptions of the extent to which public power is exercised for private gain. Point estimates range from about -2.5 to 2.5. Higher values correspond to better governance outcomes. According to this data, among the Western Balkan countries, Albania has had the worst performance, in terms of corruption influence, while Serbia is still a 'crucial' case and Kosovo is slowly ameliorating. The last United Nations Office on Drugs and Crime Report, published in 2011, adds some other relevant information on corruption perception and, in particular, on the use of bribes in daily life.[4]

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[1] A. Magen and L. Morlino (2008)(eds) International Actors, Democratization and the Rule of Law: Anchoring Democracy, London: Routledge.

[2] Nadelmann E. (1993), *Cops Across Borders*. Pennsylvania: Pennsylvania State University Press.

[3] Transparency International (2012), *Corruption Perception Index 2011*, available at http://cpi.transparency.org/cpi2012/ [accessed on 29 April 2013].

[4] UNODC (2011), *Corruption in the Western Balkans: Bribery as Experienced by the Population*, available at http://www.unodc.org/documents/data-and analysis/statistics/corruption/Western_balkans_corruption_report_2011_web.pdf [accessed on 29 April 2013].

In post-Soviet countries, it is not surprising to find police, customs officials, municipal officers, judges, tax officers and even doctors engaging in corruption in the public sphere. In the last twenty years, privatization has further reinforced bribery, particularly, in the provision/acquisition of medical services. Illegal payments are so expensive that many people have been obliged to go abroad for medical treatment, exhausting their savings in the process. Bribes are necessary to obtain a consultation and are extorted both by doctors and nurses, not only in private clinics and hospitals but also state facilities.

Corrupt practices include all services in daily life, including but not limited to health, public administration, and taxes. Inefficacy and inefficiency, and the lack of appropriate social control at the crucial legislative, judicial and administrative levels are important factors behind the profusion of corruption. Ultimately, low salaries create the strongest impetus for corruption. Public servants, in many cases, attempt to supplement their low salaries with bribes, often justifying these measures as a personal necessity. The analysis of corruption perception deals both with its causes and with the actors, which are expected to be more involved in anticorruption policies and practices.

Corruption is not always perceived as driven by 'financial necessity,' and the very low level of tolerance for corruption in different sectors in almost all countries demonstrates the public understanding of which institutions should be free from corruption. Corruption is, in principle, unacceptable, especially in those institutions that are supposed to provide public services or to represent local interests on a national level. As described in Table 2, according to UNODC data, in all countries the same actors, such as in particular local government, public hospitals and police, are perceived as the most affected by corruption.

Table 2 – Sectors/Institutions and corruption affection
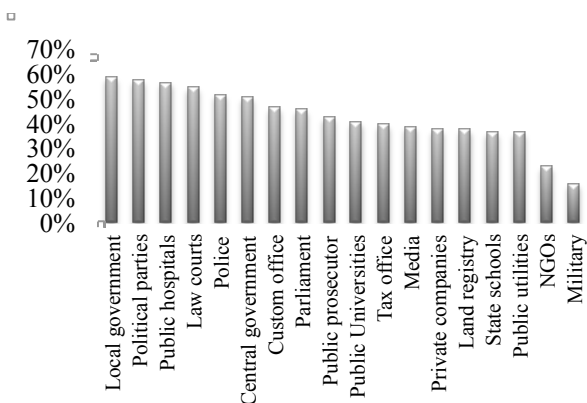
Source: UNODC, 2011

Even though there are meaningful differences in the percentages of perceived and reported corruption, custom officials, tax officials, ministers, parliamentarians and doctors are perceived as very corrupt. Economic actors in close relationship with governments, which are responsible for the privatization processes – like the Korporata Energjetike e Kosovës (KEK) in Kosovo – are included as well. Political institutions continue to be considered primary drivers and culprits of corruption. Non-Governmental Organizations (NGOs) and other civil society organizations as well as the media are considered to be the least corrupt. Civil society is also seen as more committed to fighting corruption since they can play a watchdog role in monitoring anti-corruption policies.

Lastly and critically, in almost all countries, respondents reveal a negative perception of the contribution of different institutions in the fight against corruption. More importantly, respondents showed a lack of understanding of bodies, which are expected to play a primary role in the establishment of rules and policies in tackling corruption. The survey showed that participants expected no real commitment from the government, or police. NGOs are, on the contrary, forced to operate in narrow circumstances, in which their influence is underestimated.

While a further overview of the serious problem of corruption in the Balkans is beyond the scope of this analysis, this article can emphasize the influence corruption exerts on political and social life in these countries. Can EU conditionality play an effective role?

The EU Intervention and Domestic Response

The fall of the Berlin Wall gave the ex-communist countries, above all in Southeast Europe, the impetus to experiment with democracy and rule of law and embrace free trade and liberalization. The approach developed by the EU towards the Western Balkans, outlining definitive changes and political conditionality, is based both on institutional ties and economic assistance.

In Western Balkan countries, the strengthening of the rule of law is at the core of any intervention and its promotion passes through different levels. These include the adoption, implementation and the internalization of norms concerning the aspects of the democratic rule of law itself.[5] The broader strategic context within which this process takes place also requires security management; nowadays associated with Security Sector Reform (SSR).

Cooper and Pug underline that the SSR agenda is characterized by a transformative approach, which combines the need to reform the security sectors of developing and weak states with broader post-conflict reconstruc-

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5   Baracani E. (2008), EU Democratic Rule of Law Promotion, in A. Magen and L. Morlino (eds) International Actors, Democratization and the Rule of Law: Anchoring Democracy, London: Routledge, pp. 53-86.

tion processes.[6] Since the end of the Cold War, international donors have preferred to follow the 'aid paradigm,' by stressing that security and stability – as well as rule of law – are prerequisites for any kind of development. On the other hand, this approach tends to put more emphasis on the security sector as a target for funds and agent of change, which can increase the power of non-rational local actors. The authors affirm that in militarized societies, such as Sierra Leone and Kosovo, local military or political leaders may be involved in illicit activities, which can perpetuate instability. As it will be described in this article, those risks are part of the multifaceted approach chosen by the EU to improve security and stability in the Balkans.

The relations between the EU and the Balkan region is long and articulated through a series of more significant moments, such as the initiation of the CARDS program, under which the Western Balkan countries obtained a total of EUR 315,5 million during the period 2000-2006. Then, the Stabilisation and Association Process (SAP) started, as a consequence of the transfer of responsibilities for Western Balkans, from the External Relations to the Enlargement Directorate-General of the EU Commission and the establishment of the Instrument for Pre-Accession Assistance (IPA). IPA provided financial assistance of 306 million Euro for the period 2007-2013 and developed a multiannual indicative financial framework (MIFF). It focuses on two main requirements: support for transition and institution-building and cross-border cooperation[7].

The Stability Pact for South Eastern Europe, declared in Cologne in June 1999, started offering broader assistance to Southeast Europe, as it is parallel to the official EU integration process. Focusing on a regional approach, the Pact begins with the assumption that any regional development, including regional integration, will need to be implemented through domestic institutions. The Pact's working tables and programs aim to strengthen indigenous institutions and governance. These are required not only for integration into the European Union and to satisfy a country's economic, political and social framework conditions, but also to assure peaceful and stable living conditions to its residents.[8] In the specific field of corruption, in February 2000 in Sarajevo, countries adhering to the Stability Pact adopted the Anti-Corruption Initiative (SPAI). The aim was to concentrate a large part of the incentives for implementing policy reforms and commitments in SEE countries on educating people and their politicians to live and

administer according to rule of law and transparency. SPAI gives particular emphasis to the promotion of transparency and integrity in business operations, combatting bribery of public officials, and strengthening an active civil society, as well as the media. Norms should be firstly implemented and then internalized.

As for the level of norm implementation, according to the EU country reports and strategies, anti-corruption agencies have been created. Legislative, judicial and law enforcement measures have been issued in almost all of the Balkan states. In principle, even procedures for enhancing media, civil society and public participation have been developed.

In some specific cases, like the EULEX mission in Kosovo, such programs are combined with a comprehensive package of SSR, based on short and long term actions and cross-pillar (community, external relations and judicial) cooperation.[9] However, as before, the EU is not putting enough efforts into involving the participation of civil society, and facilitating their engagement with local authorities, who continue to be the leading actors.

In Kosovo for example, since its independence in 2008, the number of NGOs increased to 6,500. Qualitatively, many NGOs in Kosovo also shifted focus. Rather than delivering services, many became involved in closer monitoring of governmental activities (EULEX report, 2002). Everywhere in the area, the number of anti-corruption bodies increased, as well as the associational life; since, as seen, civil society – and NGOs in particular – are not perceived as corrupt actors.

Therefore, the level of norm internalization remains quite controversial. According to Finnemore and Sikkink, norms are internalized when they are widely accepted by actors and achieve a 'taken-for-granted' quality.[10]

In principle, the growing number of agencies and bodies supported by the EU in the country would seem to be a positive and effective response to problems facing Kosovo, particularly corruption. However, the EU should monitor the appropriate allocation of funds for officially approved projects. It should also ensure that budget requests are reasonable and in line with actual spending.

Of course, with oversight managed by local authorities—albeit under the supervision of the EU—there is no doubt that success will vary according to local factors. In the fight against corruption, norms seem not to be completely accepted by local actors, despite the con-

[6] Cooper, N. Pug, M. (2002), *Security-sector transformation in post-conflict societies*, London: The Conflict, Security & Development Group.

[7] Rotta, A. (2008). Promoting Regional Cooperation: The EU in South Eastern Europe*, in *The International Spectator*, vol.43, no. 1, pp. 57-72.

[8] Irrera D. (2010), *EU and Albania facing corruption and organised crime* in Transitions, Vol. L.1, pp. 125-146.

[9] Dagand S. (2008), *The prospects for a future Kosovo: the role of Security Sector Reform,* ISIS Europe – *European Security Review* no. 38.

[10] Finnemore, M., Sikkink, K. (2007), International Norm Dynamics and Political Change, *International Organization*, 52, pp. 887-917.

stant and vigilant presence and influence of the EU. The role played by domestic actors is predominant. According to Magen and Morlino, the influence exerted by veto players could constitute an obstacle.[11] At the same time, change agents mobilize decision-makers to adopt democratic rules, but also engage them in the process of persuasion and social learning to redefine their interests and identities.

It is clear that local governments are making strong efforts to demonstrate that they are fully committed to the fight against corruption. However, they have often been criticized for corruption by international organizations. Veto players are presently considered to be the most corrupted and are still affected by the communist legacy. Thus, the resistance they show hinders the effective internalization of norms against corruption. NGOs and other civil society organizations, as well as the media, are considered to be the least corrupt. They are envisaged as more committed and as change actors. The political role they can play is, however, very limited and confined only to some procedures of the anti-corruption bodies and programs.

A Role for Civil Society

The transition processes, which are characterizing the Western Balkan countries, have produced a cluster of insecurities. These have often been reduced to different forms of corruption, and violations of the rule of law. When combined with other factors, namely the inadequacy of the state to properly address the concerns of citizens and the lack of strong institutions and law enforcement practices, these challenges threaten to destabilize the whole Balkan region.

While the promotion of rule of law includes further factors, such as the equal application of law and protection of human rights and civil liberties, this brief analysis focused on corruption. The article showed that an effective commitment to fighting corruption has a major impact on the democratization process and can significantly improve the efficiency and efficacy of the EU policies towards these countries. The continued external pressure exerted by the EU on corruption practices has been partially successful. Yet, the resistance still shown by institutional veto players continues to significantly reduce the influence of the EU on fighting corruption, especially in the realm of norm internalization. As Cooper and Plug pointed out, it might prove beneficial to initiate change from the 'grass-roots' where a 'bottom-up' attitude could instigate cultural change by working from the lowest to the highest levels of society.

In the Balkan countries, efforts to combat corruption would require a complete transformation of the current political class. It could be more constructive, therefore, for the EU to focus its primary efforts on involving the healthy part of civil society, which continues to suffer under the effects of corruption. The EU should support NGOs, students associations, and trade unions, assuring them the necessary protection, and educating them to trust intervention.

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[11] A. Magen and L. Morlino (2008)(eds) International Actors, Democratization and the Rule of Law: Anchoring Democracy, London: Routledge.

ENERGY SECURITY AS A SECURITY CHALLENGE IN SOUTHEAST EUROPE?

October 15-18, 2013 | Alt Madlitz

In cooperation with:

Stabilitätspakt für Südosteuropa
Gefördert durch Deutschland
Stability Pact for South Eastern Europe
Sponsored by Germany

Auswärtiges Amt

Accommodation and conference venue: Gut Klostermühle, Mühlenstr. 11, 15518 Madlitz-Wilmersdorf (Alt Madlitz)

Tuesday, October 15, 2013

Arrival of participants during the day

20:00   Drinks Reception and Welcome Dinner
Venue: Klostermühle Refektorium

Wednesday, October 16, 2013

09:00 – 09:15   **Welcoming remarks and opening of the conference**
Venue: Conference Room Theaterforum

09:15 – 10:30   **Session I:**
Securing Sustainable Energy Supply in SEE – a Long Road Ahead? (I)

The security of energy supplies remains high on the agenda of many European countries, including in South East Europe (SEE). The Energy Community (EnC), to which SEE countries are either members or contracting parties (with the exception of Turkey as observer), has identified security of energy supply as one of its key areas of work. By joining the EnC, countries agree to gradually integrate their energy sectors into the EU energy market and to implement the relevant *acquis communautaire*. However, sources of energy remain vulnerable within SEE: electricity systems require immediate investments and modernization, many of the countries are net importers of electricity and there is a strong dependence on oil and gas imports.

In this context, the following questions will be discussed: How secure is energy supply in the countries of the region today, especially in light of recent energy shortages? What are the major weaknesses? What are the main obstacles preventing countries from developing the energy infrastructure needed? Is there a lack of foreign investment in the energy markets and if so, why? What role does corruption play in the energy sector? How important is cooperation between the SEE countries? Are the plans of an integrated energy market in SEE anchored around the EU being implemented efficiently and how does this affect the security of regional energy supplies? How do the different levels and speed of EU integration challenge the regional integration of energy markets, in particular in relation to the design of energy markets and to the 2020 energy targets and beyond? Is there a need for further regional and supra-regional approaches and agreements to promote greater energy security in the region? Does the EU sufficiently support the regional integration of energy markets, or should the EU be more active? If so, what would regional governments expect from the EU in terms of energy security? What are the major challenges in terms of implementing the EU "energy *acquis*"? What roles do Russia and Turkey play?

At the same time, the EnC has placed a strong focus on renewable energies and energy efficiency, and many of the SEE countries are increasingly investing in these areas. Where are the biggest potentials for energy efficiency and renewable energy in SEE?

What are the major weaknesses? Do the governments of the region sufficiently promote investments in renewable energies? What can countries do to attract more investments in this field? Is the expansion of the use of renewable energies in SEE the key to energy security?

Moderators:	Anja Quiring, Bodo Weber
Introductions:	Dušan Janjić, *The Western Balkan's Network for Energy Production and Transmission: Energy Security Challenge*
	Ioannis Michaletos, *Southeast European Energy Security*
	Stefan Ralchev, *Energy Security in Bulgaria: A Perspective From an Ex-Communist EU Member State*
	Costis Stambolis, *Renewable Energy Sources and Energy Efficiency and their Role in SEE Energy Security*
Expert Opinion:	Nicholas Cendrowicz

10:30 – 11:00   Coffee break

11:00 – 12:30   **Session II:**
Securing Sustainable Energy Supply in SEE – a Long Road Ahead? (II)

Continuation of Session I.

12:30 – 13:15   Lunch
Venue: Klostermühle Refektorium

13:45   Departure to Berlin in front of Fischerhaus

15:30 – 16:30   Meeting with Stefan Kapferer, State Secretary in the Federal Ministry for Economics and Technology
Venue: Federal Ministry for Economics and Technology

17:15 – 18:30   Meeting with Dr. Christoph Löwer, Director Government Relations and Sustainability, Alstom Deutschland AG, and brief tour through the factory
Venue: Alstom Deutschland AG, PankowPark

19:30 – 22:00   Dinner with Marieluise Beck and Michael Brand, Members of the German Parliament
Venue: Café Einstein Stammhaus

Thursday, October 17, 2013

08:45 – 10:15   **Session III:**
The Geopolitical Location of SEE – Challenges or Opportunities? (I)

The Russian-Ukrainian gas crises in 2006 and 2009, during which Russia suspended natural gas deliveries to Ukraine, have demonstrated that Russia has been willing to use energy supply as a foreign policy tool. Moreover, the attention the Serbia-Russia energy agreement drew in the region as well as in the EU and the U.S. gave rise to the perception that Russia was trying to further its regional influence by means of energy distribution. At the same time, Turkey has increased its energy relations with SEE countries and has considered investing further. China has augmented investments in SEE energy markets, thereby expanding its influence in EU candidate or member states and the U.S. remains committed to help SEE countries develop their energy markets and further their integration. Finally, the EU plays a key role in the region, especially due to the EnC and the enlargement process. What are the interests of the individual external actors and what roles do they play? Is there potential for conflicting interests between the major external actors? Is there an actual risk of energy investments becoming instrumentalized for political purposes? What would be the consequences? Should we consider these investments as competing for political influence or merely economic investments in developing and growing markets?
Moreover, SEE has become increasingly important for the transit of natural gas to the EU. Three competing gas pipeline projects have demonstrated this over the past years. On the one hand, following the gas crises in 2006 and 2009, the Russian-supported South Stream intends to directly supply Europe with Russian gas through the Black Sea, including pipeline branches into SEE countries not on the route of the main pipeline. On the other hand, European countries have sought to diversify their sources. As a result, two pipeline projects, Nabucco and Trans Adriatic Pipeline (TAP) have competed for Caspian gas from the Azerbaijani Shah Deniz Consortium, which recently decided to select TAP as its European export pipeline. In this context, the question of how the different pipeline projects, and therefore Russian, Turkish, and EU energy interests, can be reconciled will be elaborated upon and the impact of the decision to implement the TAP project and the decline of the Nabucco project will be analyzed. How can the diversification of sources of supply and Russian national economic and geopolitical interests be reconciled? How are EU and U.S. interests affected in this area, and how can/should both actors exert influence on the developments? What does this mean for SEE countries?

Moderator:	Peter Eitel
Introductions:	Alexey Belogoryev, *The Place of Southeast Europe in the New Energy Strategy of Russia up to 2035 (the Gas Aspect)*
	David Koranyi, *Natural Gas Security in Central and Southeast Europe - A Transatlantic Perspective*
	Murat Önsoy, *The Role of Turkey in Western Balkan Energy Security*
Expert Opinion:	Michael Hoffmann

10:15 – 10:30	Coffee break

10:30 – 12:00
Session IV:
The geopolitical location of SEE – Challenges or Opportunities? (II)

Continuation of Session III.

12:00 – 13:00
Concluding Session:
Energy Security – a Challenge to the Security Architecture in Southeast Europe?

The concluding sessions will sum up and discuss the following questions: Does the issue of energy security constitute a challenge to the security architecture for SEE? If so, what needs to be done? How dangerous is a misguided energy policy for the stability of the countries of the region, considering the recent events in Bulgaria that led to the resignation of the Borissow government? What are the next steps the governments of SEE countries, the EU, the U.S., Russia, and Turkey should take to ensure security of supply without politicizing energy issues?

Moderator: Rüdiger Lentz
Expert Opinion: Helge Tolksdorf

13:00 – 14:00
Lunch
Venue: Klostermühle Refektorium

14:30
Departure to Berlin in front of Fischerhaus

16:00 – 18:00
Guided tour through a modern Vattenfall AG heating plant in Berlin (Mitte)

20:00
Dinner
Venue: Klostermühle Restaurant

Friday, October 18, 2013

Departure of participants during the day

Beck, Marieluise (tbc)

Belogoryev, Alexey

Bertele, Joachim

Bopp, Jens-Michael

Brkljačić, Vlasta

Buschle, Dirk

Čelić, Kristina

Cendrowicz, Nicholas

Eitel, Peter

Grubliauskas, Julijus

Harks, Enno

Harxhi, Edith

Hicken, Marcus (tbc)

Hoffmann, Michael

Jackson, David

Janjić, Dušan Svetolik

Koranyi, David

Kukobat, Miroslav

Leifland, Tora

Ljucović, Anton

Maćić, Ljubo

Michaletos, Ioannis

Nikitin, Alexander

Önsoy, Murat

Polen, William

Quiring, Anja

Radović, Snežana

Ralchev, Stefan

Retzlaff, Christoph

Samofalov, Konstantin

Stambolis, Costis

Tahiri, Edita

Tolksdorf, Helge

Weber, Bodo

Aspen Institute Germany

Lentz, Rüdiger
Executive Director

Wittmann, Klaus
Senior Fellow

Esch, Valeska
Senior Program Officer

Kabus, Juliane
Program Assistant

PARTICIPANT BIOGRAPHIES

Alexey Belogoryev

Alexey Belogoryev is an expert on the economy and history of the gas industry. He currently serves as Deputy General Director at the Institute of Energy Strategy in Moscow, which he joined in 2010 as Head of the Fuel and Energy Complex Department and later as Scientific Secretary before assuming his current position. Mr. Belogoryev is also an expert with the Russian Gas Society. Previously he worked as an analyst and later as head of the Gas Research Department at the Institute of Natural Monopolies Research in Moscow. His main interests are the long-term development of the global gas and oil industry; the structural reform of the Russian oil and gas complex; the export policies of CIS countries in the gas industry; strategic management and planning in oil and gas companies; the evolution of pricing mechanisms on oil and gas markets as well as socio-political and geopolitical factors of energy development. Mr. Belogoryev graduated from the Faculty of History of Lomonosov Moscow State University in 2005.

Joachim Bertele

Joachim Bertele is Deputy Head of Division 212 Bilateral Relations to the Countries of Central, Southeastern and Eastern Europe, Southern Caucasus and Central Asiain the German Federal Chancellery. He is a diplomat of the German Foreign Office with earlier postings in Paris (Cabinet of then Prime Minister Fillon and the German Embassy), South Korea, the Foreign Office (desk officer Serbia, Montenegro 1999-2001) and the Federal Chancellery. He studied law in Konstanz, Geneva, Leuven and Freiburg. He received a Master of Law from Cambridge and a PhD from Freiburg. Dr. Bertele is married and has two children.

Jens-Michael Bopp

Jens-Michael Bopp (Ass.iur., LLM) is desk officer for Kosovo and for regional issues of the Western Balkans at the German Federal Foreign Office. He studied in Heidelberg, Miami and Hamburg and specialized in public international law. On his previous post, he was political officer, head of the legal and consular section, of the cultural section and of public relations at the German embassy in Astana, Kazakhstan. Prior to joining the diplomatic service, he worked as junior research fellow at Max-Planck-Institute for comparative public law and international law, Heidelberg.

Vlasta Brkljčić

Vlasta Brkljčić is the Adviser to the Deputy Minister at the Croatian Ministry of Foreign and European Affairs. She primarily deals with political and economic issues, including energy matters within the context of foreign policy. Over the course of the past ten years, she also worked as the Head of Section for Eastern Europe and Head of the Section for Diplomatic Training, and was posted to the Croatian Permanent Mission to the UN, New York, where she focused on Special Political Issues (Middle-East, Disarmament, Peace-keeping Missions). From 2002-2004 she was seconded to the Croatian Parliament to take up the post of Foreign Policy Advisor to the Speaker of the Parliament. From 2000-2002 Ms. Brkljačić worked at the Department for Political Analysis and was also seconded for six months to the OSCE Mission to Albania. Ms. Brkljačić has a degree in English and Social Anthropology, as well as a M.A. in Contemporary European Studies from the University of Sussex.

Dirk Buschle

Dirk Buschle has been Legal Counsel of the Energy Community Secretariat since 2007 and its Deputy Director since 2011. Prior to his current position, he was Head of Cabinet of the President of the Court of Justice of the European Free Trade Association (EFTA) in Luxembourg. Dirk Buschle graduated from Constance University, Germany, and earned his PhD at St. Gallen University in Switzerland. He is Deputy Director of that University's Institute for European and International Business Law. He has widely published in different areas of European Law, speaks regularly at conferences and has lectured at Universities of Reykjavik, Constance and St. Gallen as visiting professor. He co-chairs the annual St. Gallen International Energy Forum as well as the Vienna Energy Law Forum.

Kristina Čelić

Kristina Čelić PhD, is currently Director of Energy Sector in the Ministry of Economy. Before assuming this position in 2012, she was Head of Department for Strategic Planning and EU programmes. She received her PhD degree from the Faculty of Electrical Engineering and Computing, University of Zagreb. Her major field of scientific interest is analytical and numerical analysis of design of electrical machines. She led the development of the Croatian energy strategy and participated in pre-accession negotiations for EU membership on energy chapter. She also led the implementation of the third energy package in national legislation. Her particular areas of interest are functioning of energy systems, introduction of new technologies and security of energy supply.

Nicholas Cendrowicz

Nicholas Cendrowicz, a British national, has 20 years of experience in the European Commission, mostly in foreign relations and particularly with enlargement policy. He currently works in the Kosovo team in DG Enlargement, having joined from the Romania team when Romania and Bulgaria acceded to the EU. In 2008, he was instrumental in organizing a donors conference for Kosovo that collected over €1.4 billion in pledges. Nicholas is also an expert on energy policy, particularly energy in the Balkans having worked on this file in the Commission's Energy department. Within DG Enlargement he has the horizontal responsibility for energy questions across all the enlargement countries. Nicholas has a degree in politics from the University of Bristol and a further degree in political science from the Institut d'Etudes Politiques in Paris.

Peter Eitel

Peter Eitel is Chief Operating Officer (COO) of the German Institute for Democracy, Development and Security (DIDES) an advisory think tank with offices in Berlin, Brussels, Hamburg and Munich. His work focuses on the strategic and operational transformation of the security sector. Mr. Eitel is a Fellow of the Institute of Strategic Future Analyses of the Carl-Friedrich-von Weizsäcker Society. He holds a BA in History and Political Science and an MSc in Global Security from Cranfield University/Defence Academy of the United Kingdom. He lived and worked in Central America and Africa, where he developed his interest in non-traditional security threats.

Julijus Grubliauskas

Mr. Grubliauskas is a staff officer at NATO Headquarters (Brussels). Currently, he serves as Energy Security Advisor in the Energy Security Section, which is part of NATO Emerging Security Challenges Division. His responsibilities include conducting energy security analysis and developing NATO's role in the field of energy security. Previously, he worked in NATO's Political Affairs and Security Policy Division, where he focused on defense economics and economic security. Prior to joining NATO's International Staff in 2009, Mr. Julijus Grubliauskas worked as an energy security analyst at the Lithuanian Intelligence Service (2006-2009), conducted research and lectured at Vilnius University (2007-2008), and wrote articles on international relations and energy security for the Centre for Geopolitical Studies (2005-2006). A Lithuanian citizen, Mr. Julijus Grubliauskas has BA and MA degrees in International Relations and Political Science from Vilnius University. His bachelor and master theses focused on energy and international relations in Central and Eastern Europe. More information about NATO's role in energy security can be found in his article "NATO and Energy Security: Infrastructure Protection and Beyond" http://www.turkishpolicy.com/article/834/nato-and-energy-security-infrastructure-protection-and-beyond-fall-2012/.

Enno Harks

Mr. Harks currently serves as Senior Political Adviser at BP Europa SE. He joined BP in 2007 where he acts as a deputy head of the Berlin office and advises the board and senior headquarter staff on strategic energy and climate policy issues. His focus lies on international energy affairs, mainly ex-FSU, European refining markets and European emission trading. From 2004-2007, he held the position of Senior Energy Expert at the SWP, an advisory body attached to the German Chancellor's Office. Prior to that, Mr. Harks served for 7 years as Energy Analyst with the IEA in the Directorate for Oil Markets. Mr Harks has been speaking at numerous conferences during his time at IEA, SWP and BP and is continuing his policy-oriented studies as a fellow-at-large at the Global Public Policy Institute gppi/Berlin. From 1994 to 1996 he worked as TV journalist. Mr. Harks studied economics in Germany and France.

Edith Harxhi

Ms. Edith Harxhi is currently the Advisor on Foreign Policy to the Chairman of the Democratic Party of Albania and the leader of the Albanian opposition. From December 2005 to September 2013 she served as the Principal Deputy Foreign Minister of the Republic of Albania. While serving on that post Ms. Harxhi was responsible for Albania's bilateral relations, multilateral diplomacy and international organizations, NATO and EU integration process, and specifically dealt with Albania's relations with Southeast European countries, the Western Balkans and Albanians living in the region. Ms. Harxhi has served for many years as a Special Envoy of the Albanian Government for the recognition of Kosovo's Independence, where she has visited many world capitals and international organizations lobbying for Kosovo's independence. She led numerous Albanian delegations abroad and represented Albania in dozens of international events and high-level conferences. Ms. Harxhi has also worked extensively on energy issues and has been in charge of the political negotiating team for the Trans-Adriatic Pipeline from 2006 until the successful decision on TAP. Prior to her appointment as the Principal Deputy Foreign Minister of the Republic of Albania, Ms. Harxhi worked with the United Nations, and served as an advisor to the Deputy Special Representative of the United Nations Mission in Kosovo where she covered police and justice as well as minorities and gender affairs. During 2003 - 2005 she worked as UNDP international consultant on advising the Prime Minister of Kosovo on security affairs and establishing the Office of Public Safety. She also served in the UNMIK Office for Gender Affairs and drafted, in partnership with women's group from the Parliament and Civil Society, the first Gender Equality Law of Kosovo. Ms. Harxhi received a Master's Degree with Honors in Political Science and International Relations from the University of Edinburgh, United Kingdom. She has been actively involved in the academic and political debate on the question of Kosovo and is specialized in politics and society in the Balkans. She is currently working on the completion of her PhD thesis entitled: "The Ethnic Conflicts and the Albanian disorder in the Balkans". Ms. Harxhi is fluent in Albanian, English, Turkish, Italian and has an intermediate-level understanding of French.

Michael Hoffmann

Michael Hoffmann was appointed External Affairs Director of the Trans Adriatic Pipeline (TAP) AG in 2009. Michael holds a postgraduate degree in development planning from University College, London, UK. Michael started his career in 1989 as a researcher at the Development Planning Unit, international consultancy center, in London. In the next ten years Michael worked for non-profit and international development organizations in UK and South Africa, where his responsibilities included fundraising, community development and external relations. In 2002 Michael joined BP Turkey as Social Impact Assessment Coordinator for the Baku-Tbilisi-Ceyhan (BTC) crude oil pipeline project. In this role he was responsible for the development and implementation of the community investment program. In 2002-2004, as a Manager of Regional Development Initiative program at BP Azerbaijan, Georgia and Turkey, Michael implemented the social investment program for the whole region. In 2007 Michael transferred to BP Vietnam to work as Communications and External Relations Director. In his current role, Michael leads the External Affairs and Communications department of the TAP AG project, based in Baar, Switzerland. His team is responsible for political negotiations and communications activities that raise the TAP project's profile and create a favorable environment for its implementation.

David Jackson

David Jackson is a PhD candidate at the Social Science Research Center Berlin and the Berlin Graduate School for Transnational Studies. His dissertation, for which he received a scholarship from the Fritz Thyssen Stiftung, deals with the emergence of clientelism in Kosovo under conditions of internationally-led democratization. Mr. Jackson's further research interests include EU external relations, governance in areas of limited statehood, and ethnic and race relations. He has worked for a development NGO in Jordan, for the World Health Organization in Geneva as an external analyst, and at the Cabinet Office of the British Prime Minister in London. Mr. Jackson holds a BA in Modern History and Politics from the University of Oxford and a Master of Public Policy from the Hertie School of Governance. He currently lives in Pristina, Kosovo.

Dušan Janjić

Dušan Janjić is Principal Research Fellow at the Centre for Sociological Research of the Institute of Social Sciences of the University of Belgrade, Serbia. He is specialized in sociology, ethnic conflicts, and conflict resolution. Mr. Janjić is currently conducting research on democratization in Central-East Europe and its effects on ethnic relations. He is the author of more than 100 editions (books, articles, etc.). Moreover, Mr. Janjić is the founder and President of the political party "Active Serbia".

David Koranyi

David Koranyi is deputy director of the Atlantic Council's Eurasia Center. Mr Koranyi is also a non-resident fellow at the Johns Hopkins University SAIS Center for Transatlantic Relations. Previously he served as under-secretary of state and chief foreign policy and national security advisor to the prime minister of the Republic of Hungary, Gordon Bajnai in 2009-2010. He worked in the European Parliament as foreign policy advisor and head of cabinet of Hungarian MEP Csaba Tabajdi between 2004-2009. Previously he was a political advisor at the Hungarian National Assembly and a junior researcher at GKI Economic Research Institute, in Budapest, Hungary. Mr. Koranyi is a member of the European Council on Foreign Relations, the Atlantic Council, and the international advisory board of the XII Project. He was a member of the Hungarian NATO Strategic Concept Special Advisory Group, recipient of the German Marshall Fund's 2010 Marshall Memorial Fellowship (MMF), MMF Selection Board Member in 2011 and beneficiary of the French Foreign Ministry's Personalities of the Future Fellowship in 2012. Mr Koranyi has published articles and studies on energy security, Hungarian and U.S. foreign policy, European integration and the Western Balkans. He is the editor of a book "Transatlantic Energy Futures – Strategic Perspectives on Energy Security", Climate Change and New Technologies in Europe and the United States published in December 2011 by Johns Hopkins SAIS CTR. Mr Koranyi pursued undergraduate studies in political economy and business administration and obtained a master's degree in international relations and economics, with a major in foreign affairs at Corvinus University of Budapest. He can be contacted at dkoranyi@acus.org.

Miroslav Kukobat

Mr. Kukobat currently serves as Senior Expert and Head of the Infrastructure and Energy Unit at the Regional Cooperation Council (RCC), which he joined in 2008. Mr. Kukobat's major duties at the RCC are to promote, facilitate, monitor and report on regional infrastructure cooperation particularly focusing on the Energy Community, sustainable energy and transport development, the negative environmental impact of energy activities and integrated infrastructure development. He works with the European Commission (EC), international financial institutions, the donor community and other relevant local, regional, and international players. Before joining the RCC, Mr. Kukobat worked with the Serbian Federal Ministry of Economy as Senior Adviser and Head of the Energy Sector Development and Energy Balance Sheet Unit, and with the Serbian Ministry of Mining and Energy as Senior Adviser and Head of the European Integration and International Cooperation Unit. Mr. Kukobat holds an MSc in Electrical Engineering.

Tora Leifland

Tora Leifland Holmström joined TAP AG in October 2012 as Government Affairs Advisor. In her previous position Tora worked for Nord Stream AG as Communications Manager for Sweden and Denmark. Tora started her career in Swedish politics; from 2002-2005 she worked as an advisor on Energy and Trade Policy in the Swedish parliament and in 2006-2008 she held the position as Political Advisor to the Minister for Agriculture. Tora holds an MSc in European Political Economy from the London School of Economics and a BSc Econ in International Politics from Aberystwyth University, Wales. Tora was born in Sweden in 1979 and currently she lives in Zürich, Switzerland.

Rüdiger Lentz

Rüdiger Lentz is the Executive Director of the Aspen Institute Germany. Previously he served as the Executive Director of the German-American Heritage Foundation and Museum in Washington from 2009 until 2013. From November 1998 until December 2009, he was the Washington Bureau Chief and Senior Diplomatic Correspondent for Deutsche Welle. Prior to his assignment in Washington, he served as Deutsche Welle's Brussels Bureau Chief. Before joining Deutsche Welle, Lentz worked as a correspondent for the German news magazine Der Spiegel, after having served in the German Armed Forces for eight years and as a TV commentator and reporter at ARD/WDR, Germany's largest public TV and radio station. Lentz has also held various positions including that of Editor in Chief at RIAS-TV Berlin from 1990-1992. As the Executive Director of German TV from 2002-2005 he was responsible for the branding and market entrance plan of German TV in the U.S. He has been a Visiting Lecturer at Harvard University, the School of Foreign Service in Washington and a regular guest on CNN and C-Span. Lentz was born 1947 and studied international relations, history and economics at the University of Hamburg. He is a long time member of the Atlantik-Bruecke and a founding member of the German American Business Council (GABC) in Washington.

Anton Ljucović

Anton Ljucović was born in Subotica in 1984. He studied at the Electrotechnical Faculty at the University of Montenegro in Podgorica, where he graduated in 2008. Since 2008, Mr. Ljucović has been working in the Directorate of Energy at the Ministry of Economy of Montenegro. He has been involved in many projects that have been on-going in the Ministry in last five years such as: the Energy Development Strategy of Montenegro; energy balance of Montenegro; IPA 2007 programme EuropeAid/127913/C/SER/ME – "Technical assistance for implementation of Energy Community Treaty"; concession award under combined DBOT arrangement for water stream exploration and small hydro-power plant construction in Montenegro 2008 and 2009; IT – infrastructure system development for Montenegrin Energy Sector; and a project on the interconnection of Montenegro and Italy by the submarine HVDC cable and associated infrastructures. In the last years, he has been the focal point in the Ministry of Economy of Montenegro in the field of Energy statistics in the Energy Community Secretariat in Vienna. While working at the Ministry of Economy, he has participated at many national and international conferences, workshops, courses and trainings. He speaks Albanian, Montenegrin and English.

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Ioannis Michaletos

Ioannis Michaletos is Political and Security Analyst-Consultant, Associate of the Institute for Defense & Security Analysis in Greece and coordinator of its Balkan studies unit. He is a political and security consultant for the IHS Jane's Information Group and a Southeast European correspondent for the European Oil & Gas Monitor and the European Energy Review. Further he coordinates the Southeast European office of the World Security Network Foundation, and is a member of the FLARE network (European network of civil society against transnational organized crime). He has appeared live and as a commentator in numerous international media such as CNN, FOX business, Al Jazeera, Reuters, Die Welt, Deutsche Welle, NPR, CNBC as well as, in regional Southeast European ones. His main interests lie in the research and analysis of asymmetrical security threats in Southeast Europe (organized crime networks, terrorism and extremism), regional politics, as well as energy-related developments (energy infrastructure and networks, investments, energy security, and regional energy policies). His experience also includes consultancy projects on security, energy and political research for organizations and corporations, focused mainly on the Balkans, Greece and the transnational illicit markets.

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Murat Önsoy

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William Polen

William Polen is the Senior Director for Europe and Eurasia at the United States Energy Association (USEA). In this capacity, he directs the association's cooperative programs with the US Agency for International Development (USAID), U.S. Department of Energy and U.S. Trade and Development Agency in the Balkans region, Central and Eastern Europe and the nations of the former Soviet Union. Most recently these programs have focused on encouraging regulatory reform, utility commercialization and the development of competitive, regional electricity markets to establish favorable conditions for private investment in the energy sector. Toward this end, he manages two ongoing electric power transmission-planning projects for USAID and USEA: the Southeast Europe Cooperation Initiative Transmission Planning (SECI) Project and the Black Sea Regional Transmission Planning Project (BSTP). They support development of institutional capacity in regional electric power transmission system operators to develop and update planning models needed to forecast network investment requirements. Using the models, the project Working Groups optimize the networks on a regional basis for security of supply, support of regional electricity markets, clean energy integration, carbon emissions reduction and social welfare benefits. Since their creation, the models and associated studies have leveraged nearly $1 billion of transmission network investment in Southeast Europe and the Black Sea region. Mr. Polen is a frequent traveller to Southeast Europe, Turkey and nations of the Former Soviet Union. He celebrated his twentieth anniversary with the United States Energy Association in February 2012. He holds a Bachelor of Arts degree in International Relations from the University of Delaware and a Master of Arts degree from The American University in Washington, DC.

Anja Quiring

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Snežana Radović

Snežana Radović was born in Podgorica on August 27, 1971. She studied at the Faculty of Political Sciences in Sarajevo and the Faculty of Philosophy in Nikšić. She completed postgraduate studies at the Faculty of Political Sciences in Podgorica and was granted a several-months long study visit to Zagreb. She attended the Winter Diplomatic Academy in Bulgaria. Ms. Radović is employed in the Ministry of Foreign Affairs and European Integration of Montenegro. In the last three years, she was Counselor in the Embassy of Montenegro to Hungary. During her mandate in Hungary, she followed political developments in the country, covered consular and accounting affairs and actively followed the Hungarian EU presidency, which took place immediately after Montenegro acquired candidate status for membership in the EU. When needed, she acted as *Chargé d' affaires a.i.* in the Embassy. Currently, she is Acting Director General for European Affairs in the Ministry of Foreign Affairs and European Integration. Prior to her mandate in Hungary, Ms. Radović was Counselor for several years in the Directorate for NATO in the Ministry of Foreign Affairs of Montenegro. She was Secretary of the Commission for Inter-Sectorial Activities in the Partnership for Peace as well as a member of the Coordination Team for the Implementation of the Communication Strategy on Euro-Atlantic Integration of Montenegro. Previously, she worked for seven years in radio and television in Montenegro where she was in charge of international relations and was editor of the desk for processing of foreign programs and international exchange. She has passive knowledge of several languages. She speaks English.

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Christoph Retzlaff

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Konstantin Samofalov

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Costis Stambolis

Mr. Stambolis studied Physics and Architecture at the University of London and North East London Polytechnic respectively and holds a Graduate Diploma in Architecture and Energy Studies from the Architectural Association, London (1983) and a professional practice license from the Technical Chamber of Greece (TEE) (1987). He has carried out numerous studies and projects on renewable energy sources in developing countries with emphasis on solar energy, and has consulted widely on solar building applications in Greece for both private and institutional clients. He has worked as a consultant on solar energy, natural gas, oil markets and energy security issues for large multinational companies and international organizations. Mr. Stambolis has also worked as consultant for a number of international companies, advising them on policy and licensing issues, during the period of natural gas introduction to the Greek energy system (1984 – 1996). He has lectured widely on energy issues in Greece, the UK, and USA. He has organized several national, regional and international conferences, seminars and workshops. For many years he was Athens correspondent for Financial Times Newsletters. He has edited several books, conference proceedings and has published many specialized papers and studies on energy policy, solar energy, RES and energy markets. "The Greek Energy Directory" (1984), "The Greek Energy Market" (2001) and the "S.E. Europe Energy Outlook 2011", all edited by Costis Stambolis, are considered basic references on energy policy in Greece and SE Europe. Since 2001 he supervises and edits daily Greece's foremost energy site www.energia.gr. He is a founding member of the Institute of Energy for South East Europe (IENE), where he was elected twice as its Chairman (2003, 2005). He is currently IENE's Deputy Chairman and Executive Director. He is a member of the Institute of Energy (UK), the Technical Chamber of Greece (TEE), the Foreign Press Association (Greece) and the Chartered Institute of Journalists (UK).

Edita Tahiri

Edita Tahiri is the Deputy Prime Minister of the Government of the Republic of Kosovo, responsible for issues relating to foreign policy and national security. She has also been the Chief Negotiator for Technical Dialogue between the Republic of Kosovo and Serbia with the European Union Facilitator since 2011. Before taking on this role, she was the Minister of Public Administration. She is the leader of the Regional Women's Lobby (RWLSEE) which she and other female political leaders in the region formed in 2006. She was one of the founders and key leaders of the movement for Kosova's independence, the Democratic League of Kosovo, in the years 1991-1999. She was the Minister of Foreign Affairs of Kosova (1991-2000) and is particularly well known in foreign policy and for her significant contribution to internationalizing the Kosovo and Albanian question. She participated in the Kosovo delegation at the Rambouillet Conference (1999) where she gave an important contribution to achieving the peace agreement, which led to the NATO intervention in Kosova in 1999 and opened up the path to Kosova's independence. Currently, she is the President of the political party, Democratic Alternative of Kosova, which is part of government in coalition with PDK. Edita Tahiri completed her post-graduate studies at Harvard University, at the John F. Kennedy School for Government in 2002 and holds a Master's Degree in Public Administration. She also graduated from the Edward S. Mason program for Public Policy and Management in 2002. In the years 2006/2007 she studied at the Johns Hopkins - SAIS University where she did doctoral studies in the Program for Conflict Resolution. She holds a PhD in Political Sciences from the University of Prishtina in cooperation with SAIS Johns Hopkins University.

Helge Tolksdorf

Helge Tolksdorf is currently Head of the Division for EU Enlargement, Southeast Europe and Turkey in the Directorate-General for European Policy of the German Federal Ministry of Economics. Before assuming this position in 2003, he served as *inter alia* as Deputy Head of the Division for the Asia-Pacific Region and Deputy Head of the Division for General issues relating to Eastern Europe, both in the directorate-general for external economic policy of the Federal Ministry of Economics. Mr. Tolksdorf studied international economic relations at the Higher Institute of Economics in Sofia, Bulgaria. He is married and has three children.

Bodo Weber

Bodo Weber is a Senior Associate of the Democratization Policy Council (DPC) concentrating on the Western Balkans region. He is a longtime analyst of international policy, Western Balkans policy and society and German foreign policy. He also works as a political consultant for political foundations and international organizations in Germany and the Balkans. In the 1990s, he worked as an editor with Perspektiven (Frankfurt/Main), a journal, and served as a board member of the Bosnien-Büro Frankfurt. He has published numerous articles and analytical papers on politics and societies in the Balkans, on post-conflict peacebuilding, democratization and German foreign policy. He has published articles and OpEds in various journals and papers such as Die Zeit, Internationale Politik, Democracy and Security in Southeast Europe et. al. and regularly appears as a commentator in Southeast European media such as Blic, Koha Ditore, BH Dani, Al Jazeera Balkan. He is the author of "The crises of the Bosnian-Herzegovinian universities and the perspectives of junior scholars", Friedrich-Ebert-Stiftung, Sarajevo 2007 and a co-editor of "Croatia one year after the change", Zagreb 2001. He is a co-author of the Bosnia security study "Assessing the potential for renewed ethnic violence in Bosnia-Herzegovina" (Sarajevo 2011). Weber has an MA in political science and East European history from the Johann-Wolfgang-Goethe-University in Frankfurt/Main. He lives in Berlin. Mr. Weber's main fields of analysis are: Western Balkan policy and society, Western Balkan policy, German foreign policy, transatlantic relations, Turkish Western Balkan policy and EU-Turkey relations.

Klaus Wittmann

Brigadier General (ret.) Dr. Klaus Wittmann was born in Lübeck in 1946. In October 2008 he ended 42 years of Bundeswehr service that included troop command (rocket artillery battalion and armored brigade); academic phases (university studies in history and political science at Hamburg University with a PhD, as well as a year at the International Institute for Strategic Studies, London); political-military work in the German Ministry of Defense and at NATO Headquarters, and positions in higher military education (Director of the Faculty at the Führungsakademie der Bundeswehr in Hamburg and, in his last assignment, Director Academic Planning and Policy at the NATO Defense College, Rome). He was closely involved in the creation of NATO's 1991 and 1999 Strategic Concepts. In 2009 he published "Towards a new Strategic Concept for NATO" (NATO Defence College, Forum Paper 10, September 2009), and he has published widely on strategic and security policy subjects. He is a Senior Fellow with the Aspen Institute Germany and teaches at Potsdam University.

ENERGY SECURITY AS A SECURITY CHALLENGE IN SOUTHEAST EUROPE?

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The Aspen Institute's conference 'Energy Security as a Security Challenge in Southeast Europe' took place in Alt Madlitz, just outside Berlin, between October 15-18, 2013. The event brought together 35 select decision makers from Southeast Europe (SEE), Germany, Russia, the United States (U.S.), Turkey and the European Union (EU), with professional backgrounds in government, international and civil society organizations, academia, the security sector, foreign service, and business. The conference was divided into three sessions, with the first dissecting the degree of energy security in the region and offering recommendations for domestic reform. The second session scrutinized the role of external suppliers, and in particular the role of EU and Russia were compared. The concluding session revisited common themes and discussed ways forward.

Session I and II: Securing Sustainable Energy in the SEE – a Long Way Ahead?

The first two sessions discussed the security of energy supplies in the region. Energy supply is absolutely central to development, yet represents 'an existential problem', according to one lifelong activist from the region. Most participants agreed on the urgency of the challenge. One energy expert suggested that SEE states are acutely dependent on outside countries for 90% of their oil and gas; indeed, 'gasification' in SEE is very low – Albania and Montenegro especially suffer from scarce supplies. The social aspects of this energy insecurity were underlined during discussions. Recent demonstrations in Bulgaria that led to the resignation of the government have shown that energy insecurity can trigger major social unrest, and the specter of increasing prices may ignite instability and widespread popular discontent across the region, with the ruling elites the likely focus of dissatisfaction.

Overcoming endemic weaknesses requires strident moves forward, with participants stressing the need for indigenous supplies of energy to be activated. One speaker noted that Kosovo, for example, has abundant coal and lignite that should enable the country to return to its position as a net exporter of energy. The development of renewable energy sources can contribute towards improving SEE countries' energy security, but this depends on the type of renewables used, their connectivity to the national grid, and their storage capability. One expert advised that Greece's use of solar thermal energy could be a good template for other countries.

Participants noted that while renewables are not a silver bullet, they should at least be part of an energy mix. Despite new geological structures being investigated in Montenegro and some other places, the region has fallen behind in finding new sources of energy. An energy

professional suggested that renewable energy does not have a steady basis within the region. The use of shale gas, or unconventional gas, was brought up in discussion. It was noted that in the United States shale gas will soon break the oil stranglehold on the economy and will decrease prices to the point where industries will return to the country. One specialist recommended that, even if the science is not that well proven, the discussion should at least start on the use of fracking; another noted that the absence of a common EU position on shale gas could provide a hindrance to this source of energy.

In addition to the greater utilization of existing resources, improving the hardware of the region's energy production was deemed essential, especially to increase energy intensity. More generally, experts consistently reaffirmed the importance of more interconnectors in the region. It was advised that with greater infrastructural connectivity, the cost of energy could be cut by a half, and this could balance out unpredictable fluctuations in wind and solar energy. Diversifying energy technology was proclaimed to be a 'missing link' by one speaker.

Some speakers emphasized that equally important to improved infrastructure was the development of a healthy, functioning market. Too often monopolistic suppliers dominate and one economic expert stressed that a precondition for further investment in the region was an improvement in market behavior, something that is essential for the future of affordable and stable energy supply. The relationship between buyers and sellers needs to be whipped into shape – this can be helped via the EU accession process. The EU Energy Treaty aims to reduce two risks: the monopoly of government and the irregular privatization of companies. Unfortunately, market behavior in the SEE is far removed from what the EU expects, and what would be able to produce affordable prices for the region's citizens. As one speaker advised, markets are 'liberalized but are not free' in SEE, especially as monopolistic practices still dominate.

Another obstacle remains: as a capital-intensive environment, the region's energy sector is pervaded by corruption. One analyst suggested that corrupt practices and abuses of authority prevent the development of infrastructure, and also leads to the misallocation of resources. For example, one regional expert suggested that the construction of a nuclear power plant may have been driven more by the spoils involved in these multi-billion euro projects than a rational consideration of need.

Despite these challenges, it was recommended that membership in the EU can have a positive impact on energy supply, particularly as the accession process forces investments in energy efficiency and steers governments to thinking about sustainability (especially as

one EU target for 2020 is that 20% of energy should come from renewables). It was underlined that Brussels is convinced that energy security is improved through better management. The Energy Chapter of the *acquis communautaire* is akin to software, upgrading the management of the energy sector. It seeks to 'inject efficiency into an inefficient market', with greater transparency and more cost effectiveness being the ultimate goals. Installing this essential software will come at a huge cost, however. Huge challenges are set in Brussels, and SEE states will have to meet these head on. For example, legislation to mitigate the energy effects on the environment will come into force. But, as one participant advised, this should not be seen as a luxury, but a necessity. In Kosovo, for example, the average life expectancy is five years less than the rest of the region due to the air pollution.

An expert suggested that each successor enlargement becomes more difficult as lessons are learned from the past, and enlargement fatigue is a very real and present phenomenon. It was recommended that in relation to energy, the Energy Community can provide a 'big hand up' for SEE countries. Applying the norms and rules of membership of this community means states can basically get half way through the *acquis*. The changes demanded by the EU are an imposition, but also an opportunity that will ultimately pay off in the longer term. Urgency is a pre-requisite for success, as the earlier SEE states start implementing reforms on an issue that requires long-term thinking like energy, the more successful they will be. Delaying is not an option, stressed one expert, but at the same time the EU is very willing and able to provide technical advice to these countries. For example, experts can be 'twinned' with SEE states in order to provide peer-to-peer assistance, and SEE should make the most of this.

Most speakers agreed that the degree of cooperation between the countries of the region could make or break energy security. History, nature and geography mean the states of the region are condemned to work together, said one participant. The establishment of new mechanisms, such as the Western Balkans Energy Production and Transmission Network, were explored, while others advocated that it was not about reinventing the wheel: new initiatives would be welcomed only insofar as they brought additional benefits. Many participants considered the established methods of the Energy Community and the *acquis* perfectly apt instruments of cooperation. Moreover, the Regional Cooperation Council has labored to induce cooperation on energy issues – this should be a first port of call. During discussions, economic specialists advised that greater cooperation was a precondition for large-scale investment in the region. Serbian and Albanian cooperation on energy issues was regarded as particularly important, especially as Serbia may only reach the EU 'via Kosovo and Tirana'. Croatia, the EU's newest member state, was called upon to offer help to other SEE countries, especially as they

know how to 'implement the software', and have experience of what works. It was stressed that the EU *acquis* provides opportunities to cooperate: the obligation to have a 90-day emergency supply of oil stocks could be shared between countries.

Politicians from the region advised that it is wishful thinking to believe that there is a groundswell of political will pushing integration. New realities in the Balkans have yet to be accepted by all countries and although cooperation should be aimed for, an integrated market is quite unlikely. One foreign policy expert cautioned against the idea that the political networks of Yugoslavia could be simply resurrected. There is a new reality in the Balkans, and it is this reality that will shape cooperation, and much of this reality remains inimical to the deepening ties. Networked cooperation will only occur once states come to terms with their sovereignty. Post accession modes such as the Visegrad group provide a useful template, but often this can break down. It was pointed out that if the instinct to cooperate was so natural, the countries of SEE would not have to go to Brussels to be able to sit around the same table. But they do, and therefore a paradigm of pragmatism should configure policy sheltered underneath an EU umbrella. In fact, one political expert from the region recommended that speeding up EU integration is the best development project for the region.

Session III and IV: The Geopolitical Location of SEE – Challenges or Opportunities?

The broader geopolitical context of energy supply was discussed. It was highlighted that the region needs a stable supply of gas, especially to end the dependence on coal; this could be Russia, or could be other partners. Indeed, speakers suggested that it is misleading to think that the EU is the main player in SEE. China, for example, is investing in the infrastructure, and, interestingly, it is doing so in partnership with Germany, who is tasked with installing and managing the technology upon which this investment is based. Other non-EU states, such as Norway, the U.S., and increasingly the Qataris, are investing in the energy infrastructure of the region via bilateral channels. The U.S. may become a huge supplier in the region, if there is a re-evaluation of shale gas use. One specialist suggested that importing shale gas could help bring prices down across Europe, strengthen the U.S. as a major energy player in the region, and strengthen the EU's hand in relation to Russia.

Resurrecting supplies from Iran was mooted as a possible option for the region. Greece and Turkey already import gas from Iran, and other regional countries may want to make tentative steps to do the same, depending on whether there would be any movement on the broader political impasse. Turkey is another regional player. One expert suggested Turkey's interest in the region is quite strong, especially with energy representatives

visiting the region to explore the possibilities of investment in BiH and Serbia, amongst other countries, and it was pointed out that Turkey prefers cooperation and integration to a zero sum game in its approach. Strategically, one expert suggested that SEE countries could seek the best returns from this competition between third countries to increase the chances of the SEE becoming the prime hub for gas within the EU. Others cautioned that every country wants to be a gas hub but the pertinent questions are: What is realistic? Where is the market? Where can we train people?

Another major player is Russia. One line of argument advanced was that Russia is a potential partner in increasing security of supply, but there is no trust. One international relations specialist emphasized that this blind mistrust of Russia is not helpful and too redolent of a cold war mentality. Russia does not seek instability, rather steady customers, and making trouble in the region goes against the economic interests of the country. The view from Moscow perceives that Russia, undoubtedly a crucial supplier of energy in the region, is being squeezed out of energy markets by an extremely politicized EU strategy that seeks to monopolize the public space in the region. De-politicization is Russia's ultimate aim, and one specialist called for the discordant discourse to be jettisoned, and for energy policy to be 'de-securitized'.

Other participants dismissed the interpretation of Russia's intentions to de-politicize energy politics. The energy cut offs in 2006 and 2009 that produced harsh effects in Central and Eastern Europe, were certainly not the actions of a constructive partner. From the perspective of countries adversely affected by Russian policy, it seems that Russia aims to maneuver Russian gas suppliers into a monopolistic position, despite the liberalized framework of the market. Some participants argued that the complete separation between business and politics is impossible; what needs to be carefully followed is the degree of political interference. The aim of the game, urged one participant, is not to get rid of Russia as a supplier of gas, but to incorporate them into a competitive market so that consumers can choose an alternative to Russia.

While accepting the plea not to "securitize" every problem, one participant opined that 'hard security' aspects should not be totally absent from a conference dealing with energy security. Examples for this link are abundant: the importance of fuel in the Libya case, the interruption of oil supplies to Afghanistan by Pakistan, terrorist attacks against energy infrastructure (Nigeria, Iraq, Egypt) etc. NATO's involvement in energy security seeks not to do what others could do better but contribute where it could add value, by virtue of its members and partnership, *inter alia* intelligence and strategic awareness, consultation, support to the protection of sea lines and of critical energy infrastructure, and dialog with other energy security stakeholders. So NATO has

an – albeit limited – role that would avoid a return to the "Cold War mentality" warned against by another participant.

New pipelines could enable an expansion of choice. Most relevant is the Trans-Atlantic pipeline, which not only circumvents problematic supply routes, but was regarded by one participant as a huge geostrategic event in the region that could provide an important impetus for mutual cooperation, and shift SEE to the center of continent-wide networks. It was also noted that the EU does not have a common position on which supply routes to favor. More generally, one expert warned that EU-wide solutions are not always forthcoming, even if their absence contradicts common sense.

Some questioned how convincing the EU may be in promoting energy security. Although the political will to act in concert is not inevitable, especially on issues of energy, one analyst suggested that the lack of a unified high-level EU strategy in dealing with powerful external suppliers compounds the dependence on Russia. Confusion rather than coherence tends to characterize EU energy policy in the region, especially the approach that demands cooperation between SEE states, but then seeks control over that cooperation. Some suggested that the EU needs to be more upfront about its strategic aims in the region. Others argued that enlargement in itself is testament to the strategic emphasis the EU puts on the region, and that it is precisely such strategies that are generating successes. For instance, the Kosovo-Serbia breakthrough was based on the upholding of strategic planning. However strategic it may be, the EU is not acting forcefully enough to resolve entrenched political dysfunction in Macedonia and Bosnia. Other speakers suggested that bilateral involvement by European countries is robust: the German lending bank *Kreditanstalt für Wiederaufbau* (KfW) is investing in a transmission line between Kosovo and Albania, and other member states are similarly investing, for example.

One analyst emphasized that geopolitics matters. It is only the hard politics of strategic agreements devised by the EU that can prevent SEE countries from being bullied by third parties. Speakers suggested that the experiences of central European countries after the crises of 2006 and 2009 are instructive. Due to the response of the EU, such as the co-financing of infrastructural development, these countries are much better prepared to withstand third party pressures. But the job is 'halfway done', and there needs to be greater diversification of suppliers. Ultimately, the aim should not be to get rid of Russian gas but to incorporate their supplies into a functioning market in which consumers can choose.

Concluding Session: Energy Security – a Challenge to the Security Architecture in Southeast Europe?

The concluding discussions revisited common themes and discussed ways forward.

It was noted that 'open wounds' still remain in the Balkans – Kosovo and Serbia, segregation in Macedonia and Bosnia – and these 'sad stories' need to be addressed with urgency, from which other challenges can be resolved. Broader social instability will increase if energy prices are not kept under control, and this is perhaps the biggest source of insecurity.

It was stressed that the EU has its limits and that even within its 'own house' has trouble maintaining cooperation on energy issues. Nonetheless, the EU can offer technical assistance and capacity building that countries in the region should make the most of. It was mentioned that sometimes, EU staff has the impression that beneficiaries are no longer interested in further advice and technical assistance, however, participants from beneficiary countries stressed that this was not the case. Overall, it was strongly recommended that countries in the accession process start early with expensive and difficult reforms instead of putting them off. Croatia and Bulgaria have made this experience already, and can share them with other aspiring countries.

Crucially, the EU can only provide a framework, it can do little to change behavior, and truly freeing up energy markets will require domestic action. Such domestic action must come quickly, and it was advised that each country should develop an energy security strategy in conjunction with its neighbors. SEE countries should have a clear organizational structure governing energy so that potential investors know with whom to engage. At the same time, closer regional cooperation was strongly recommended as the key to success, in particular when it comes to foreign investment and to keeping the Western Balkans on the maps of decision-makers, as well as meeting the benchmarks of the Energy Community. In this context, it was also mentioned that energy policies and closer economic cooperation might need to be depoliticized. It was further recommended that the EU should closely follow domestic privatization processes within the region to monitor corruption. Many participants reaffirmed that more interconnectors needed to be built in the region and also that hydropower possibilities should be explored.

Moreover, storage capacities, especially for renewable energies, are much needed, as private companies do not sell energy when it is needed, but rather when they get the best price. Another option in this context was seen in the possibility of 'reverse flow', which in turn requires an integrated market and closer cooperation. Western Balkan countries were therefore again advised to also internally apply the European energy 'DNA' and integrate their markets.

Finally, the EU was also criticized for its lack of a unified policy, both, with regard to a common consistent energy strategy, but also for a lack of a unified position vis-à-vis the Western Balkans. At the same time it was highlighted that while the EU has a strategic approach to the Western Balkans, pushing for EU enlargement has been difficult, as enlargement fatigue is a relevant factor. Nonetheless, there has been substantial progress over the last years, and the EU remains committed to the region.

THE WESTERN BALKAN'S NETWORK FOR ENERGY PRODUCTION AND TRANSMISSION: ENERGY SECURITY CHALLENGE

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Abstract

The Western Balkan countries went through periods of cooperation and major conflicts in the past. The beginning of the 21st century is characterized by a very complex process of economic, political and social transition in these countries.

The energy question has always been on the very top of the agenda of every state administration in the Balkans, but never before has this issue become such an important political and social instrument as in the early 21st century. In such circumstances, the energy sector used to generate conflict of interest between some countries and was a potential source of instability in the region undergoing profound changes. The on-going changes in the energy sector are imposing the need for transition to market economy in the national and regional context.

Energy security in the region represents a major building block for achieving stability in every country, as well as the entire region. This stability can be secured through regional energy cooperation, which entails free trade, energy production, as well as the reconstruction, development and maintenance of transmission networks. The most effective answer to this challenge would be to establish the Western Balkans Energy Production and Transmission Network.

Introduction

Energy represents the major driver of economic change and the key to economic development.[1] A well-performing, modern and secure energy sector brings economic growth and prosperity. This is especially true for countries with limited energy resources, such as those in the Western Balkans. A balanced and sustainable development of the energy sector has an impact on every country and the entire region.

1. Characteristics of the Balkans Region

The region referred to as the ''Western Balkans'' is made up of the countries that emerged after the dissolution of the Former Yugoslavia, plus Albania.

Finding themselves at a particular crossroads between the Caucuses and Europe, and bordering the Middle East and North Africa, the Western Balkans are, by vir-

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[1] During the 20th century, the global population has increased 3.7 times, whereas the global final energy demand increased by more than 30 times. According to the International Energy Agency (IEA) projections, primary energy consumption is expected to increase by 40% during 2005-2025.

tue of their geo-strategic position, a crucial element in Europe's energy security dilemma, due to their proximity to key energy sources and the European markets.[2]

The energy system of former Yugoslavia was not under direct control, but it was strongly influenced by the Soviet Union and the Eastern Block. The country took advantage of its relationship with the former Eastern Block, Western Europe and the United States, in obtaining loans under favorable terms from international banks and the European Investment Bank (EIB), to finance the development of its power system.

A mixed hydrothermal system was developed with a ring-shaped high voltage network spreading throughout the country. At the same time, domestic electro-mechanical, engineering and designing industry was developed. The energy system of former Yugoslavia was operating in parallel with the systems of Western Europe (UCPTE and SUDEL) and had an island-type interconnection with Eastern European countries. In the period before the fall of the Berlin Wall, a 400 kV connection was constructed between the systems of Eastern and Western Europe. Due to differences in the quality of produced power (mainly in frequency tolerance), trade between these two interconnected systems was mainly carried out using the system of former Yugoslavia.

The energy system of Albania was developed in parallel to developments in the Eastern Bloc, a long period of complete autarky, as well as sporadic energy cooperation with China.

The systems of former Yugoslavia and Albania were virtually identical with regards to key technical protocols and equipment, as well as principles of investing, which primarily focused on thermo-power plants (centrally planned economy with a strong social dimension). The only difference between the two systems was that

some equipment of the energy system of the former Yugoslavia was manufactured in Europe, Japan and the United States.

Both systems also had the particular common feature of following social, rather than economic, criteria in constructing and putting into operation energy facilities. The social role of energy facilities was more important than cost-effectiveness. Pollution, spatial re-cultivation and energy efficiency were not considered relevant.

2. Energy Security in the Western Balkans

Some of the challenges in achieving energy security in the Western Balkans:

- While inter-ethnic relations have improved significantly since the 1990s, the ethnic composition of Balkan states creates a certain level of in-built tensions that represent a potential source of instability and prevent a further development of energy systems and effective cooperation. At the same time, during the 1990s, the Western Balkan countries entered into a new political and economic transition. For some of them, it was the time of fighting for freedom, democracy and national independence. In the meantime, the Euro-Atlantic perspective has become one of the common goals shared by all Western Balkan counries. This common goal imposed the need for cooperation, which has been to some extent hindered by the broken relationships and negative legacies of the past, and a desire to protect the newly gained status of independence. Experiences gained through regional and sub-regional cooperation on the road towards NATO and the European Union, such as the Visegrad Plus, Nordic Council, Stability Pact, Central European Initative, SEE Cooperation and CEFTA, are encouraging various forms of bilateral and multilateral cooperation between the Western Balkan countries and with their neighbors. The purpose of this cooperation is to acheive specific objectives related to renewal and construction, increased economic growth and higher employment. These objectives can only be achieved by implementing a set of capital investment projects in the real sector of economy over the next ten years, particularly in the energy, infrastructure and construction sectors.

- The unfinished statehood issue that hangs over several countries prevents a further development of cooperation in the field of energy security. Critical to the larger regional energy equation is the role of Serbia – as one of the largest nations, along with its largest number of consumers and polluters in the region – and Kosovo, with the largest untapped lig-

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[2] In this paper, the definition of the World Energy Assessment is accepted, according to which energy security is referred to as "the availability of energy at all times in various forms, in sufficient quantities, and at affordable prices" (World Energy Assessment, 2001, UNDP, UN, Department for economic and social issues and World Energy Council, New York, December 7, 80). The four listed elements of energy security (availability at all times, in all forms, sufficient quantity and affordability) represent the very core of stability. If all of these factors are not satisfied, the result is volatility. Nevertheless, there are a number of issues and challenges that also have to be satisfied such as diversification of supply, undisrupted stream of supply (physical security of the shipment and the infrastructure), satisfactory supply infrastructures and reliable transport corridors. Without secure transport corridors and routes from the source to the market, the control of routes and maintenance of infrastructure is as important as the very production of the given energy resource, thus "the fact that the routes need to pass through several different countries makes this 'game' especially difficult, as it only takes a problem in one of the countries to endanger the energy flow" (Keith, Fisher, 2002, "A meeting of blood and oil: the Balkan factor in Western energy security", Journal of Southern Europe & the Balkans, May, Vol 4, No. 1: 80).

nite reserves.[3] Despite the political challenges between them, both see their future as part of a Southeast Europe region-wide energy grid that will provide reliable, cost-effective, and clean energy for economic development and eventual European integration.[4] Notwithstanding the fact that many perceive the status of Kosovo as a *fait accomplis*, one has to acknowledge that as long as there is a dispute amongst international and regional actors over the status of Kosovo there cannot be considerable progress in the energy affairs of Kosovo and consequently its neighbors. Even according to a scenario of a very successful privatization of the Kosovo energy sector, the high investment risks are considerably slowing down all options for restructuring, development and optimization of the energy sector. This has consequences for the internal stability of Serbia and Kosovo.[5]

- During the conflicts over the break-up of the former Socialist Federal Republic of Yugoslavia in the 1990s, much of the energy infrastructure was either damaged or neglected. In the past 25 years, there has been no new power plant construction, in spite of a rapidly growing demand for electricity. The current power production is insufficient to even cover the present low-level economic activity. This is especially visible during summer droughts, or when large power plants, such as "Djerdap I" and "Djerdap II" in Serbia and Romania, and "Obilic" in Kosovo, do not operate at full capacity.

- The current production capacities use old equipment and are largely inadequate; without thorough improvement and modernization of current production capacities in the power sector, even the current level of economic activity will be difficult to sustain.

- Modernization and regular maintenance of the existing power sector (generation, transmission, distribution) requires large investments. The Western Balkan banking sector is currently dominated by commercial banks, which are not interested or willing to invest in such energy projects. For that matter, the role of government, and/or cross-governmental cooperation, and/or international financial institutions and multinational companies is crucial.

- The energy sector represents a great development opportunity for the Western Balkans. Many of the world's most prominent corporations in the field of energy from the U.S., Germany, Russia, China and Japan, have expressed interest to invest in the construction of specific power plants and energy facilities in Serbia. The construction of new power plants, especially the first nuclear power plant in Serbia, can be a very good opportunity to revitalize the construction industry and promote some parts of the processing industry. But, the construction of a large energy facility, such as nuclear power plant,

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[3] Kosovo, due to the dispute over its status, is in a very delicate position. It faces a dire situation due to its energy frailty, inability to produce sufficient electricity and the forthcoming months of restrictions. Kosovo's mineral reserves have long been a subject of speculation. According to a joint survey conducted in 2005 by the Kosovo Directorate for Mines and Minerals and the World Bank, Kosovo mineral resources are estimated to 13.5 billion euros, thus potentially making it a relevant regional energy resource ("Kosovo: Land of opportunity for European mining and energy", 2005, *Mining Journal*, Special, London, 2005, http://www.beak.de/pdf/news/KosovoMiningJournal.pdf, 1 – 20). In that respect, such a figure represents an additional reason for Serbia not to back down from its claims on Kosovo, particularly considering the estimates that the energy reserves in Central Serbia are running out. Nevertheless, Kosovo has a significant problem in developing its energy potentials due to the very bad conditions of its infrastructure, significant investments that have to be made as a prerequisite for the existing energy resources, uncertain legal status of almost all locations. Nevertheless, there is some interest from foreign companies to develop its mines, and Macedonia has offered to exchange Kosovo's coal for electricity. A development plan was created in order to improve Kosovo's existing energy sector, mainly based on the privatization of its energy sector. The privatization of the energy sector was started in late 2006 with the announcement of an international tender. The project's total estimated cost for the construction of a new power station with an estimated 2,100 MW, the reconstruction of an older plant and the development of lignite production to feed these power plants is estimated to be in the region of 3 billion euros. (Fact Sheet, 2007: 1-6). Costs are expected to be recouped from the export of electricity to Albania, Montenegro, as well as potentially Bosnia and Herzegovina (Energy Projects in Kosovo, 2011, *Kosovar Institute for Policy Research and Development, Forum for Civic Initiatives, gap Institute,* Prishtina, September, 20). The large reserves of lignite found in Kosovo (up to 12 billion metric tones according to some estimates) are cheap to exploit and provide an easily obtainable and accessible source of power for thermo-electric power plants. The presence of these reserves forms a solid basis for the development of Kosovo's energy sector, with the potential of making it a regional player on the energy market. Kosovo now has two thermal power-producing blocks, "Kosovo A" and "Kosovo B", built between 1960 and 1984, with respective capacities of 800 MW and 678 MW, whose combined output cannot exceed 640 MW, due to physical deterioration.

[4] Each government has committed to re-evaluating its energy supply systems and improving its delivery and governance systems in relation to energy. Since signing the 2005 Energy Community Treaty in Athens, Pristina and Belgrade have had clear obligations to comply with the agreement components as well as EU standards. However, other policy priorities have meant that the political will to effectively strategize and coordinate the necessary complex legislation, expert groups, and government institutions has been insufficient on both sides (SEE Energy Community at Work, KIPRID, European Movement in Serbia, Freedom House, Pristina - Belgrade, May 2008).

[5] The considerable amount of political instability, the Kosovo status issue and a number of other internal potentially problematic issues made Serbia a potentially undesirable participant in this sensitive project for the majority of international actors. The sensitive area of South Central Serbia, referred to by Albanians as "Presevo Valley", in particular three municipalities of Bujanovac, Presevo and Medvedja, inhabited by considerable number of ethnic Albanians. This area is of great security importance not only because of the armed conflict between Serbian security forces and the Albanian insurgents in the 2000 and 2001, and the persisting latent tensions, but also due to the proximity of the Macedonian border, administrative line of division with Kosovo and the proximity of corridor 10 international highway.

always has a strong political dimension. So, for example, if a U.S. company was chosen to build the nuclear power plant in Serbia, it would significantly improve Serbia-United States political relations.

- In any case, all Western Balkan countries need a *long-term plan of rehabilitation of existing power facilities* and *a long-term plan for the construction of new power generation capacities (MW)*, such as thermal power plants using coal and gas, large hydro power plants on rivers or within river basins, exploitation of oil shale, small hydro power plants, the use of new and renewable energy sources (wind, biomass, geothermal sources, etc.), increased production of ethanol and fuels for internal combustion engines, etc. Naturally, such large-scale energy projects require consideration of the Western Balkans and EU needs, and developed forms of information exchange, cooperation and harmonization.

- The reconstruction process has been long and difficult and the electricity systems of many of these countries remain feeble.

- Energy supply is crucial for sustaining economic development in the Western Balkans, which remains the poorest region in Europe with relatively small-sized economies. According to the World Bank and European Commission reports, the region's energy shortage is set to grow dramatically over the medium term, making calls for a more cooperative and unified regional energy market increasingly compelling. Therefore, appropriate national and regional energy policies and strategies are indispensable for the macro-economic revival of the region and for enhancing economic growth through improved energy efficiency, lower environmental impacts of energy use, and reduced energy poverty.[6]

- A significant reliance on Russian oil and gas represents a risk to energy security.[7] Coupled with the lack of a clear long-term strategy and the signing of energy deals with Russia, the Western Balkans is on a path to increased reliance on outside supplies. The development of the South Stream gas pipeline and the Burgas-Alexandropoulis oil pipeline testify to the seriousness and depth of Russian interests in the region.

- The entire region is heavily reliant on fossil fuel and to a lesser extent on hydro and thermal power plants. The overall reliance on fossil fuels makes any attempt at diversifying difficult.

- While power production is mainly thermo- and hydropower, some is provided by Bulgaria's nuclear power plant. There is no nuclear capacity beyond the Kozloduy Nuclear power plant in Bulgaria whose output was reduced by the EU following Bulgaria's accession. This created a deficit of electricity in the region. There are currently no plans to develop nuclear energy as an alternative to fossil fuels.

- Another crucial aspect of the energy security issue for the Western Balkans is the slow pace of adoption of renewable energy as an alternative source of supply. The volume of coal reserves available in Bosnia and Herzegovina, Montenegro, Kosovo and Serbia, push forward the construction of coal-fired thermal power plants as development priority in these countries. Naturally, in the long run, it is not reasonable to burn coal reserves for the production of electricity. In this context, the solution is diversification of energy sources, for example, by developing new industries such as carbon chemistry, where new technologies can be used to produce important goods from coal (such as benzene and even bread), or by using alternative energy sources, such as solar energy and wind generation (Albania), or biomass (all Western Balkan countries). Besides, it is necessary to diversify external sources of energy supply, especially oil and gas.

- The European Union devoted great effort to the development of a comprehensive common energy policy with stronger diversification of forms of energy, countries of origin and transit routes. The European Commission – as early as 2002 – identified Southeast Europe as a major transit region for gas, oil, and electricity. That is the overall context in *the Energy Community Treaty* between the countries of Southeast Europe and the EU, which entered into force in July 2006.[8] All institutions envisaged by the *Energy Community Treaty* have already been set up and are operating. Therefore, in order to achieve greater energy security, it is necessary to develop the energy sector and establish cooperation between the Western Balkan countries based on the *Energy Community Treaty* rules which should be applied, expanded and improved, if necessary.

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6 See: SEE Energy Community at Work /(2008) KIPRID, European Movement in Serbia, Freedom House, Pristina - Belgrade, May.
7 Smith, M.A.(2008) *Russian Energy Interests in the Balkans* Advanced Research and Assessment Group, Defence Academy of the United Kingdom, March.

8 The aim of the Energy Community Treaty is to establish a stable regulatory and market framework, capable of attracting investment into energy generation, transmission and networks. A single regulatory area, aligned with the EU legislation, is expected to remedy market fragmentation, ensure security of supply, and contribute to improving the state of the environment. This means that key parts of the energy acquis are now fully applicable in the Western Balkans.

3. Energy Systems

Regional energy systems are characterized by outdated power production facilities, resulting in low efficiency and high pollution. This is the case for both thermo power plants (TPPs) and coalmines. Until today, spatial re-cultivation has not been considered relevant.

All power industries have adopted EU regulations. Unfortunately, the organization of the energy sector has not changed significantly. Staff often comes from the governing parties, electrical energy is perceived as a public good used by political parties to stay in power, and transmission losses, technical losses, and unpaid bills all contribute to making it an inefficient sector.

Aside from this, most power industries strive to comply with EU industry regulations. However, these rules have also been seen to be used to generate corruption or erect barriers to entry and allow the emergence of energy tycoons.

Production capacities at the moment meet consumer needs. One should bear in mind that the economic crisis and transition have taken their tolls by causing a significant drop in industrial consumption. At the same time, due to climate change as well as lower prices, there has been an increase in household consumption. Annex 2 presents the current situation concerning production capacities according to the production structure.

The development of the energy sector has resulted in modern local capacities of design, engineering, institute and equipment manufacturers. Transition, and mainly badly managed privatizations, as well as the breakup of the former Yugoslavia have resulted in a shrinking energy market followed by a lack of investment in this sector. This led to the complete destruction of local resources that could support the development and sustainability of this important sector.

On the other hand, there has been an increase in the exchange of electrical energy between systems over the past years. Having this in mind, existing transmission capacities sometimes tend to be critical points in the further development of power trading, hence the process of forming the corruption-free market. Forecasts show further future growth in electrical energy trading between systems in the region and EU countries. According to a study of the European Development Bank, anticipated investment in the power sector in the Region by 2020 will be app. € 70 billion for building new power facilities, reconstruction and revitalization of old transmission lines, construction of new transmission lines, primarily high voltage transmission lines for interconnection.

The energy sector of the Western Balkans has seen the privatization of production and/or distribution of electricity in certain countries. For all privatizations com-

pleted can be concluded that they have proved to be unsuccessful mainly because of the bad privatization concept, but also caused by inherited problems as well as the approach to the development of the energy sector which, regardless of the ownership, still bears a strong social category.

4. Further Development Steps

- One of the first steps is to intensify the efforts to implement projects for modernizing power plants and increasing the volume of power production. The implementation of a long-term rehabilitation plan for existing power plants and long-term savings plan will ensure regular economic activity at the present level. Otherwise, economic collapse is inevitable. Increase in economic activity to a higher level than today will require increased power production, due to the big share of energy (30% average) in the cost structure of any type of goods. Intensity and dynamics of economic development of Serbia in the coming decades absolutely depend on increased production of electric power.

- A lot of work needs to be done by national governments, including the adoption of strategies and plans, programs and projects; streamlining administrative procedures; fighting corruption among decision makers, state-owned enterprises and government institutions, primarily through the privatization of state-owned enterprises and the protection of private property and private and foreign investor rights; standardizing conditions for concession; lifting private (primarily commercial) monopolies on national energy resources and transmission capacities. Bilateral, sub-regional (Western Balkans) and regional (EU) cooperation is a precondition for development of the electric power system in every country and improvement of national and regional energy security.

- Excessive power consumption is another big challenge. For example, in Serbia, the amount of energy required to produce a unit of goods and services is five times more than in the world's most industrialized economies. The main cause of high consumption is technologically obsolete equipment in industries. A significant decrease in power consumption requires the reconstruction of industrial and other capacities and the replacement of obsolete, energy wasting equipment.

- Energy is excessively consumed by the household sector. Significant energy savings could be made here, but it also requires huge investments. For example, replacing the old non-hermetic windows in apartment buildings with more airtight ones, only in Belgrade, requires an investment of close to one billion U.S. dollars.

- In any case, Serbia and all other Western Balkan countries need a *long-term energy efficiency plan.* Given that commercial banks are not interested in such investments, it is unrealistic to expect any major improvements in the field of energy efficiency without extensive involvement of the state and financial cooperation at the regional level and beyond the region.

- In line with the analyzed needs for revitalization and development of certain systems in the region, it. It is obvious that some financial aid is required to meet the objective of revitalizing and developing energy systems in the region. This is the main reason why planned reconstructions and constructions of new capacities are not advancing as planned. These reasons, age, inefficiency and environment protection issues lead to significant threats to the energy safety of certain countries, and the region itself.

- Regional energy safety is endangered by the lack of availability, but even more by the fact that high prices often make energy unaffordable for people. All of this begs the question of finding the most appropriate model of financing the development of the energy sector while lowering investor risks. De-regulation, in terms of trading electrical energy, and providing for new space for investors interested in constructing major power facilities on the other hand, follows the trend of ever greater regulation in the field of environment protection, causing new space for investing in the energy sector, but this time for smaller investors interested in "green energy", which adds a larger ponder on the international market via different tariffs depending on the nature of the "green energy".

- Public private partnerships are slowly positioning themselves as models for constructing power facilities, by enabling the energy industry and the state to achieve a suitable balance between attracting investors and benefiting from strategic corporate management, and on the other hand protecting the public interest as well as guaranteeing the safety of the investment.

- Fossil-based production of electrical energy has established itself as the most cost-effective and available source of energy – new means for gas exploitation show that it will stay so for decades to come. Electrical energy from major hydro power plants also presents a rentable way of producing electrical energy, whereas the huge limitation is presented in a limited number of rivers that can serve to increase the involvement of this resource, without endangering the ecosystem.

5. Conclusion

Energy security in the region represents a major building block for the stability of every country, as well as the entire region. This stability will be secured by establishing regional energy cooperation, which entails free trade, reconstruction, development, and maintenance of energy production and transmission systems. Therefore, the establishment of the Western Balkans Energy Production and Transmission Network should be thoroughly explored.

Considering the importance of the issue, a study on the current situation of the energy sector in the region should be conducted soon, with measures and mechanisms to ensure that planned initiatives are implemented. The result of the study should provide solutions to improve energy security and balanced development in the region, make the primary sources of energy attractive and safe for investment, and help the development of mechanisms against corruption in the energy sector at the regional level, under the direct oversight of the European Union. Aside from this, a set of recommendations should be developed for the governments in the region to assist them in defining and implementing this energy policy.

SOUTHEAST EUROPEAN ENERGY SECURITY

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The Southeast European (SEE) energy market is characterized by four main features.

1. It is the least developed market in terms of consumption in Europe.

2. It has hydrocarbon production capabilities with additional energy sources found over the past few years.

3. The location of the region is crucial for the overall energy supply architecture of the EU.

4. The local market is significantly fragmented.

Additional contemporary features, include i) mostly stagnant economies and therefore reduced potential for energy consumption; ii) several infrastructure projects of pan-European importance; iii) oligopolistic supply chains and widespread corruption; iv) low economies of scale and technology investment, mostly deriving from the aforementioned.

Lastly, Southeast Europe is the only region in Europe that has a moderately risky political and consequently business environment, despite the easing of interethnic differences in the past decade or so. As a market distinct from those within the EU, researching and monitoring the energy market in Southeast Europe offers its own set of challenges.

Main Feature

Southeast Europe has the advantage of being the only "gateway" for the EU, which combines the supply routes of both the Former Soviet Union states (FSU) and most importantly Russia, Kazakhstan and Azerbaijan. At the same time, it neighbors the hydrocarbon producing territories of Middle East and North Africa (MENA). If one adds the potential significant natural gas resources in the neighboring East Mediterranean[1], then the wider Balkan region assumes a role of geo-economic importance for the consumers of West and Northern Europe, nations that will continue to face a significant drop in the hydrocarbon production of the North Sea. The region combines in a geo-economic sense the Caspian basin-Black Sea- East Mediterranean-Adriatic Sea and Danube basin, along with the Pannonian-Aegean axis leading to the vital Suez channel and Suez Med pipeline, along with the hydrocarbon producing sites and export terminals of East Libya. Therefore it is unquestionable that the overall future EU energy security policy depends upon the stability of the region and in the steady and secure flows of energy within it.

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[1] http://www.isn.ethz.ch/Digital-Library/Articles/Detail/?id=165423: "Gas Finds Complicate Eastern Mediterranean Security": Prepared by: IISS, 26 June 2013.

The Situation at Hand: Main Energy Corridor Projects

Natural Gas Routes

1. Existing Pipelines

A. Blue Stream[2]
Blue Stream is a major Black Sea pipeline that under the joint administration of the Russian Gazprom and the Italian Eni S.p.A. and Turkish BOTAS, expands from the Beregovaya compressor station to Ankara. The rest of the line running on Russian land (from Stavropol to Beregovaya) is under exclusive Gazprom ownership.

B. Baku-Tbilisi-Erzurum Pipeline (South Caucasus Pipeline)[3]
The Baku-Tbilisi-Erzurum Pipeline transports natural gas from Azerbaijan to Turkey. The Baku-Tbilisi-Erzurum is under the ownership of BP (UK) and Statoil (Norway) along with other companies from Turkey, Azerbaijan, Iran, France and Russia.

C. Greece-Turkey Pipeline[4]
Greece-Turkey Pipeline is a 300km pipeline connecting Karacabey, Turkey and Komotini, Greece. The project is co-managed by the Turkish BOTAŞ and the Greek DEPA companies.

2. Planned Pipelines

A. South Stream[5]
South Stream is a proposed pipeline from the Beregovaya station to Pleven and Varna, Bulgaria and further to Greece and Italy. The project involves Gazprom, Eni, Électricité de France and Wintershal companies.

Strategic aim: To by-pass Ukraine seen as an obstacle to Gazprom's relation vis-à-vis EU markets and to further increase Russian gas exports to Europe

B. Trans-Adriatic Pipeline (TAP)[6]
The Trans-Adriatic Pipeline is a proposed pipeline project to transport Azeri gas from Greek-Turkish borders to Southern Italy, through Albania. The plan is developed by an international consortium of Statoil, EON, AXPO, Fluxys, Shah Deniz Consortium.

Strategic aim: To open up an alternative route to the Gazprom's presence in the EU and build up a future corridor for imports from the wider Caspian region

C. Interconnector Turkey–Greece–Italy (ITGI)
The Greece-Italy pipeline is a project intending to supply Southern Italy with gas as a part of the Turkish-Greek-Italian interconnector. A memorandum has been signed between DEPA and Eni S.p.A.

Strategic aim: Same as above – most probably this plan will be merged with TAP.

D. Trans-Anatolian gas Pipeline[7]
The Trans-Anatolian is a proposed natural gas pipeline from Azerbaijan through Turkey to Europe. The pipeline will run from the Georgian-Turkish border to the Turkish-Greek border. The consortium includes BOTAŞ, TPAO (Turkey) and SOCAR (Azerbaijan).

Strategic aim: To decrease Gazprom's presence in the country, while securing greater amounts of energy for the expanding Turkish industry.

E. New European Transmission System (NETS)[8]
The NETS project is a proposed unified gas network for the joint operation and ownership of the gas transmission pipeline systems in Central and Southeast Europe. It was proposed by the Hungarian MOL energy company and plans to include Austria, Bosnia-Herzegovina, Bulgaria, Croatia, Romania, Serbia and Slovenia.

Strategic aim: To overcome regional market fragmentation so as to diversify imports and regulate pricing downwards.

F. Ionian Adriatic Pipeline (IAP)[9]
It is a proposed natural gas pipeline in the Western Balkans. It would run from Fier in Albania though Montenegro, and Bosnia and Herzegovina, to Split in Croatia.

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[2] http://www.gazprom.com/about/production/projects/pipelines/blue-stream/: Gazprom presentation.

[3] http://new.socar.az/socar/en/activities/transportation/baku-tbilisi-erzurum-gas-pipeline: SOCAR presentation.

[4] http://www.depa.gr/content/article/002005/260.html: DEPA presentation.

[5] http://www.gazprom.com/about/production/projects/pipelines/south-stream/: Gazprom presentation.

[6] http://www.trans-adriatic-pipeline.com/tap-project/concept/:TAP Consortium presentation.

[7] http://www.tanap.com/en/: TANAP consortium presentation.

[8] http://www.energy-community.org/pls/portal/docs/406207.PDF: Progress report on theNew Europe Transmission System (NETS) concept, 4th Gas Forum, 11 September 2009.

[9] http://www.energy-community.org/pls/portal/docs/40178.PDF: Ministerial declaration of the Ionian Pipeline, 25 September 2007.

Strategic aim: To support the TAP project[10] as a sub-stantial diversification route in Southeast Europe.

Significant Crude Oil Pipelines

1. Existing Pipelines

Baku-Ceyhan Pipeline[11]
The Baku-Ceyhan is an oil pipeline that connects Baku (Azerbaijan), Tbilisi (Georgia) and Ceyhan (Turkey). It draws from the Caspian Sea and is owned by the BTC Co, a consortium of eleven energy companies.

Strategic aim: To open up non-Russian but FSU markets to the global oil trade.

2. Planned Pipelines (In Limbo)

A. AMBO Pipeline[12]
The AMBO is a planned pipeline from Burgas (Bulgaria) to the port of Vlore (Albania) via the Former Yugoslav Republic of Macedonia. The project is a property of the AMBO Co, financially backed by the U.S. government.

Strategic aim: To open up the Caspian basin oil exports to the world oil markets and by-pass the congested Bosporus Straights.

B. Pan-European Oil Pipeline (PEOP)[13]
The PEOP pipeline is a proposed project from Constanta (Romania) to Trieste (Italy) through Serbia, Croatia and Slovenia. The project was initially developed by Conpet Ploiești, Oil Terminal Constanța (Romania), Transnafta (Serbia) and JANAF (Croatia). At first Slovenia raised environmental concerns and then Croatian JANAF decided to withdraw from the plan. The remaining Romanian and Serbian companies decided that the Black Sea-Pančevo (Serbia) part will be built anyway.

Strategic aim: Same as above and also to connect the FSU oil export system with the Trans-Alpine Pipeline

C. Burgas-Alexandroupoli Pipeline[14]
The Burgas-Alexandroupoli was a project for transferring Russian oil from the port of Burgas in the Black Sea (Bulgaria) to the port of Alexandroupoli in the Aegean (Greece). The pipeline was to be constructed by Trans-Balkan Pipeline B.V. shared by Russian, Greek and Bulgarian companies. The project was cancelled by Bulgaria[15] due to environmental, economic concerns and opposition of the Burgas population, although the tripartite intergovernmental agreement is in limbo presently.

Strategic aim: Alternative route for bypassing congested Bosporus Straights for Russian and Kazakh oil exports.

For the European Union, planned pipelines in the Southeast Europe region that draw from non-Russian sources are of great importance in the attempt to reduce dependence of the European market on Russian natural gas. This concern, apart from its economic dimension, is interlinked with the Transatlantic relations and U.S. apprehension of close EU-Russian relations that could tip the balance of power in Eurasia. A plurality of energy sources can serve the EU energy and foreign policy, which is based on the principle of diversification.[16] Given the fact that LNG trade cannot cover the needs of such a wide market,[17] ensuring alternative suppliers is essential for the EU.[18]

As the effects of the financial crisis spread in the region, the SEE states will increase their efforts to participate in energy transferring and energy owning projects, though the will to act in such a way does not necessarily mean these projects will be realized. The EU will encourage the alternatives to Russian projects in its endeavor to reduce dependency. SEE states will probably endorse any profitable project regardless of the diversification principle, unless heavy pressure is exercised by opposing sides. States of the region, however, will be careful not to jeopardize inter-state relations, since no SEE country wishes to increase military cost and risk an armed incident. Under the pressure of existing and forthcoming economic woes, SEE states will have to pursue maximum gains and at the same time move delicately in order not to provoke neighbors and key players, as tension would minimize state gains and cause unwanted instability.

[10] http://www.naturalgaseurope.com/goodwill-tap-iap-albania-greece-pi pelines: "Goodwill On TAP, IAP, Signed in Tirana", 28 May 2013.

[11] http://www.bp.com/sectiongenericarticle.do?categoryId=9006669&co ntentId=7015093: BP presentation.

[12] http://www.platts.com/latest-news/oil/London/INTERVIEW-Trans-B alkan-AMBO-oil-pipeline-still-8572004: "Trans-Balkan AMBO oil pipeline still viable project", 11 November 2011.

[13] http://www.stabilitypact.org/energy/MINISTERIAL%20DECLARAT ION%20ON%20THE%20PAN%20EUROPEAN%20OIL%20PIPELI NE.pdf: Ministerial declaration on Pan European pipeline, 3 April 2007.

[14] http://www.iene.gr/3rdSEEED/articlefiles/Session_VII/Dimas.pdf:IE NE institute presentation on pipeline.

[15] http://www.neurope.eu/article/bulgaria-terminates-participation-burga s-alexandroupolis: Bulgaria terminates participation in Burgas-Alexandroupolis, 6 February 2013.

[16] http://www.european-council.europa.eu/home-page/highlights/leaders -discuss-eu-energy-policy-priorities: "Leaders discuss EU energy policy priorities", 23 May 2013.

[17] Shale gas prospects especially from the U.S seem promising, but it should be noted that shale oil & gas in North America is essentially the strategic production reserves of that region, which if exploited en mass for exports, they will be consumed within the next few decades leaving US without any other indigenous resources.

[18] http://www.eia.gov/dnav/ng/ng_enr_shalegas_dcu_nus_a.htm: "Shale Gas reserves by US EIA", 1 August 2013; Additionally: http://www.pennenergy.com/articles/pennenergy/2012/01/u-s--shale-g as-reserve.html; NOTE: The issue is of tremendous global importance and a thorough analysis is needed - it is much wider of course than the Southeast European energy security policy review.

What Lies Ahead (Speeding up the Process)

Speaking at the Frankfurt Gas Forum in 2012[19], the European Commissioner Guenther Oettinger said gas consumption will remain a crucial element in the European Union energy mix for at least the next 50 years, and in times of declining European gas production it needs to look abroad to source its gas needs.

His comments came as UK company BP, France's Total SA and Azerbaijan's state oil company Socar are jointly developing the giant gas field Shah Deniz 2 off the Azeri Caspian Sea coast. Some 10 billion cubic meters of gas from this field are earmarked for European markets from around 2019. The EU views gas from Shah Deniz 2 as key to its energy security as it seeks to reduce its dependence on Russia, Europe's dominant gas supplier with a market share of well over 30%. Eventually in mid-2013 the TAP project won the approval of the Shah Deniz consortium, a crucial aspect when examining the Southeast European future energy security.

However, Mr. Oettinger at that time noted that Europe will need considerably more gas from the Caspian than what is on offer at present, reiterating previous comments that first flows of Caspian gas would open the door for more energy imports to come from the region, bypassing Russia. "If we plan the Southern Corridor with only 10 BCM a year for the longer term, then it simply isn't worth all the effort," said Mr. Oettinger, adding that the EU is expected to require around 600 BCM a year in the longer term and that the Shah Deniz 2 gas field would only amount to a fraction of that.

The presently targeted volumes are neither worth "the [airplane] ticket to attend discussions in [the Azeri capital] Baku, nor starting a dispute with [Russian President] Vladimir Putin,"[20] Mr. Oettinger said. Such views make it clear that even a significant project such as the one of TAP will not yet resolve in the long-run the major issues of diversification, price reduction and consequently energy security.

In general and in the mid and long-term European gas consumption will increase considerably whilst the Chinese, Southeast Asian, Indian and Latin American will skyrocket.[21] In light of these dramatic developments of macro-historical importance, Europe needs to have a steady, secure, economical and long-term supply of gas in order to withstand the high-pressure of these global trends and shifts of power. Thus, the Southeast European region could well serve to be the entrance from where a multitude of energy corridors will traverse, and

that includes from all territories that currently produce gas or have the future capacity to do so.

The Players that Export or Could Have Through Southeast Europe En Route to the Core of the EU

Russia

Certainly this country will remain a key supplier to the EU for a long-time owing to its sheer size of reserves and its already established transport infrastructure. The question is the size of its share in the market.

Azerbaijan

Over the coming generation Azerbaijan will increase rapidly its share in the European natural gas import mix. Nevertheless its quantities are not simply enough to cover demand across the Continent and for a prolonged period.

Iran

The country has vast reserves and the transfer of gas is accessible through Turkey-Balkans. The nuclear projects of Iran need surely to be addressed and Iran could shift its exports towards India-Pakistan and in the long-term to China through Central Asia

Iraq

This country has significant amounts although not to the extent needed to cover Europe's needs for many decades. The political risk is substantial and the Iraq is the midst of potential destabilizing developments in the Middle East.

East Mediterranean (Offshore Cyprus, Israel, Lebanon, Syria, Egypt)

Promising findings in the region are coupled with a lack of coherent strategy of the local players on where and if they want to export the amounts of gas explored. Secondly and importantly the volatility of the region heightens political risk, while it will take several years before the exact assessment of the amounts found is firmly put on the table

Qatar-Gulf states

A gigantic pipeline from the Gulf to Europe through Turkey-Balkans is feasible, but the political situation in the Middle East prohibits such a solution in practical terms, while Asian importers are also vying and importing from those states, paying higher prices.

[19] http://www.naturalgaseurope.com/guenther-oettinger-europe-has-to-take-the-russians-seriously" "Europe Has to Take the Russians Seriously", 20 December 2012.

[20] http://www.capital.gr/news.asp?id=1676917: "Need to Open Up More Gas Supplies from Caspian Region", 28 November 2012.

[21] http://www.ogj.com/articles/2013/07/energy-consumption-to-escalate.html: " Energy consumption to escalate", 30 July 2013.

Overcoming Disadvantages

As it was noted previously the Southeast European energy terrain has a set of difficulties that prohibits presently its role as a main energy hub in Europe. Due to a lack of significant consumption it loses any importance as a main terminal for energy exports by producing states. It is unlikely that the region will experience any rapid growth in local industrial production any time soon, thus this particular feature will most certainly remain as it is for the foreseeable future.

Looking forward, the relevant lack of investments in its energy infrastructure as well as incoming international investments of such kind could be overcome via a thorough and steady assistance by the EU, whose strategic aim will be to encase any local production and at the same time "integrate" the fragmented local energy sectors via:

- Natural gas interconnectors
- Electricity interconnectors
- Oil, Gas, LNG strategic depots
- Mergers between local corporations
- Establishment of uniform rules on energy policy and regulation

A final mid to long-term aim should be the integration of the regional energy markets to established multinational companies, so as to reach economies of scale and be able to implement a diversification policy without compromising business profits, as well as having enough funds for establishing multiple alternative energy routes and increase the share of local production and consumption.

Moreover, the current lack of a fundamental alternative and substantial suppliers both in the EU and Southeast European markets should be addressed by a multitude of "Medium Scale" projects, similar to TAP, coming from different locales as the ones mentioned in the context of potential supply partners. That issue, of course, will have to be dealt with a collective voice and stance by the entire EU due to its importance in geopolitical terms.

Lastly, the issues concerned with potential political risks in the region as well as with corruption themes can only be combated if the European accession process is finalized in a reasonable period of time, while a gradual replacement of "elder" generations of policy makers is achieved, so as to give breathing room to new, dynamic and trustworthy individuals and institutions. In that sense they would be able to implement policies without succumbing to the vices of personal gratification, patronage and systemic malpractices, and engage energy security in the region away from mentalities of previous eras and welcoming the "interdependence" in both political and economic terms that the 21st century is bringing about in the entire world. Energy security in Southeast Europe lies first and foremost in the establishment of a secure political environment, and, through the EU, understanding and supporting the region's stability in the midst of intense global antagonisms.

General Assessment

The Southeast European region in terms of an energy market is of importance for the European energy security architecture and cannot be viewed independently from it. Time is needed before its advantages as a bridge territory between significant producers and consumers materialize. Thus, it would be of utmost importance to accelerate the plans to push the region forward both in terms of integrating its local energy systems and also of supporting its political and economic base, as to be ready to acquire a larger role within the EU for such roles.

Overall, the situation is still in flux and it will settle down once (and if) a solid geopolitical architecture in the wider MENA region is established, whilst the EU will have eventually reached a concrete long-term strategy of its own that will bear in mind the realities at hand instead of wishful thinking. Eventually, decisions of hard nature will be made on the direction in which the Union should reach in its energy security policy and consequently Southeast Europe will mainly follow that course in most respects.

ENERGY SECURITY IN BULGARIA: A PERSPECTIVE FROM AN EX-COMMUNIST EU MEMBER STATE

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Introduction

When discussing energy in Southeast Europe, Bulgaria is in a unique position. First, its geographic location makes it a hardly ignorable factor in terms of hydrocarbon and power transportation across the region. Second, it has more potential capacity and actual electricity generation and exports per capita than any of its neighbors. And third, its political past and present make it an odd but somehow functioning amalgam: an ex-Communist country with its corresponding legacy (excessive dependence on Russian energy carriers, outdated infrastructure, high energy intensity of output); a key energy exporter in the Balkan region; and a European Union member state trying to comply with partially successful EU regulations on energy efficiency, sustainability and competitiveness. In this light, it would be useful to look at the strengths, downsides, risks and prospects which characterize Bulgaria as an energy system and a regional energy player at present: they might have implications for the other countries in the region, most of which both have a Communist legacy and aspire to join the EU in the not-too-distant future. This paper will offer a brief look at those four elements of Bulgaria's energy security and try to show that EU membership, with all its positive effects on its energy competitiveness and sustainability, is not sufficient to guarantee this Eastern European country's energy security. There are complex reasons for that, the two most significant of course being the excessive dependence of former Soviet-bloc states on Russian energy supply and the lack of a single, coherent EU energy strategy and policy towards the East.

The Upsides

Geographic Location

Bulgaria is favorably situated at the heart of the Balkan Peninsula, strategically situated between the energy-rich regions of Russia, the Caspian and the Middle East, and the industrially developed and energy-consuming regions of Central and Western Europe. Its location is a positive factor for Bulgaria's energy security, even if the country is not itself rich in energy resources: it exports electricity easily to most importing countries in the region; it benefits from a relatively steady flow of hydrocarbons through its territory; and it collects cash from transportation fees. Contrary to logic, Bulgaria does not benefit from significantly lower prices from Russia for its natural gas, despite being a key transit link.

Available Capacities

During Communist years, the regime of the time decided that power generation (along with metallurgy, machine-building and later tourism) should be a priority sector in the Bulgarian economy. As a result, Bulgaria today has developed and diversified capacities for electricity production and is able to export to countries such as Macedonia, Greece, Turkey, and sometimes Serbia. The single most important power-source is the Kozloduy Nuclear Power Plant (NPP) on the Danube River in northern Bulgaria, producing some 40% of the country's power. There are also a number of important thermoelectric power plants (TPPs) such as the Maritsa Iztok One, Two and Three, TPP Varna and TPP Sofia. Bulgaria also invested in hydroelectric power production (HPP) in the past, and recently increased its production of renewable energy – photovoltaic, wind and bio-fuel plants – as part of its EU membership obligations. The country also has a refinery for crude oil near the Black Sea port of Burgas, owned by Russia's Lukoil, and gas storage facilities with increased capacity after the 2009 Russo-Ukrainian gas row.

EU Requirements

Bulgaria's membership in the EU has enormously positive effects on its energy security. First, EU regulations on renewable energy production will support the long-term sustainability of the sector. Bulgaria has agreed to raise the share of renewable energy sources in its portfolio to 16% by 2020, making it less dependent on traditional sources such as nuclear fuel, gas, oil and coal. Second, the EU policies on energy efficiency have stimulated the rehabilitation of old infrastructure and buildings to save power and heat, and have caused business investments in new factories etc. to comply with heightened efficiency and environmental standards. Why generate more and more energy and heat when you can consume less and still get the same results. And third, the EU has allotted funds to address Bulgaria's biggest vulnerability – its dependence on Russian natural gas supply. The EU has supported the construction of reversible-flow gas interconnectors with Greece, Romania, Serbia and Turkey. The link with their national gas networks is supposed to allow gas exchange in times of dire crises – such as the Russo-Ukrainian impasse of 2009. The interconnectors with Romania and Greece are being built and are expected to start functioning in 2014 and 2019 respectively, and the ones with Turkey and Serbia are in the negotiation phase.

The Downsides

Excessive Dependence on Russia

Bulgaria is a resource-poor country. Coal and hydro are the sources of energy traditionally used (with renewables such as sunlight, wind and bio-fuels recently being

on the rise), with very small amounts of natural gas obtained in the north of the country. However, the bulk of energy sources – nuclear, fuel, natural gas and oil – are imported from a single supplier: Russia. According to the latest available data published by the National Statistical Institute, Bulgaria's overall energy dependency in 2010 was 40.5%, including 87.8% for hard coal and derivatives, 92.7% for natural gas and 101.9% for crude oil and petroleum products.[1] Most of the oil comes to the Lukoil-owned refinery near Burgas in tankers across the Black Sea from the Russian port of Novorosiysk. Fuel retailers and oil-intensive industries can buy non-Russian oil from refineries in neighboring Greece and Romania, but there is not sufficient storage capacity in Bulgaria to keep the fuel that is ready for distribution, except that owned by Lukoil. Nuclear fuel for NPP Kozloduy arrives from Russia, and under the existing agreement the used fuel goes back to Russia as well. The biggest dependency, however, is for the import of natural gas. Here the problem is not only that there is a single supplier, but also that this supplier – Russia – can be an unpredictable and unreliable partner, as shown by its 2009 gas standoff with Ukraine (the Russian gas to Bulgaria, Greece and Macedonia comes via Ukraine). This makes Bulgaria extremely insecure: Russian whims have proved to threaten not only big industrial producers but also hundreds of thousands of ordinary households relying on gas-fired central heating in big cities.

Corruption

The energy sector in Bulgaria, because of its size, importance and ability to generate huge profits, has been the arena of power-games among various formal and informal interests and at the center of high-level political corruption. The major players, the so-called "energy lobby" of businessmen and companies, have their roots back in the former Communist regime and state security apparatus: they have kept their good relations with powerful actors in Russia (which, as mentioned above, are very influential in the Bulgarian energy market) and interact more or less successfully with every government that comes to power in Bulgaria. The importance and power of the "energy lobby," and the corruption of the sector as a whole, is a destabilizing factor for Bulgaria. This is best epitomized by the project for a second nuclear power plant on the Danube – the Belene NPP. The Communist-era project was unearthed in 2002 by the government of the former Bulgarian King Simeon Saxe-Coburg-Gotha, but gained pace under the subsequent Socialist government of Sergei Stanishev. Hundreds of millions of euros of state money were spent on equipment for the plant without any formal contract being signed with the builder of the facility –

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[1] National Statistical Institute. *Energy Balances 2011.* March 2013. Available at: http://www.nsi.bg/publikacia.php?n=369&r=|13|&P=65&SP=1&PSP=13.

the Russian state company Atomstroyexport (ASE). The subsequent center-right cabinet of Boyko Borisov, however, made a thorough re-examination of Belene because of its obvious unsustainability – the cost of the project had been estimated unrealistically at €4 billion by the Socialists, but was later put at €10 billion plus by the independent consultant HSBC; the estimated cost per kilowatt-hour would be 4 times higher than that of NPP Kozloduy; there was no guarantee for the sale of the power produced at Belene on the regional market, given decreasing consumption in Bulgaria and neighboring countries as well as the planned construction of a new nuclear plant in Turkey. Moreover, EU energy efficiency and renewable energy rules (applicable to SEE states) will probably cause consumption in Southeast Europe not to rise sharply in the medium term. According to most independent experts and center-right political parties in Bulgaria, Belene was the biggest corruption scheme in the Bulgarian transition.[2] The Borisov government then announced in 2012 that Bulgaria was withdrawing from the project, causing ASE to file a €1 billion lawsuit against Bulgaria's National Electricity Company in the arbitration court in Paris. So the cost of Belene so far has been hundreds of millions of euros spent on commissions for selected contractors in a project with no official contract and a potential €1 billion in damages to ASE. The Socialists, who are again in power in Bulgaria, have said they want to restart the project.

Regulated Market and Failure to Comply with EU Rules

An on-going weakness of the Bulgarian energy system is the lack of regulation of its market. This makes it unstable and subject to European criticism and fines. The EU has warned that the liberalization of the electricity market is essential on numerous occasions. At the moment, the power distribution market is divided by three territorial monopolies controlling respectively the western, northeastern and southeastern regions of the country. The Bulgarian government has also yet to enforce the EU Third Energy Package rules for pipeline transportation, leading to the European Commission filing a lawsuit in Strasbourg. Suits were also filed for failure to comply with emission levels of harmful substances.

Lack of EU Unified Energy Strategy

Another factor undermining Bulgaria's energy security is the lack at this point of a clear, coherent and unified EU strategy or rules for its energy policy toward big external suppliers. The EU has moved towards establishing some elements of such a comprehensive tool, mostly based on competition rules: the Third Energy Pack-

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2   See publications by the Institute for Market Economics (www.ime.bg), the Institute Studies (www.iris-bg.org), and statements by the Democrats for Strong Bulgaria (www.dsb.bg), the Union of Democratic Forces (www.sds.bg), etc.

age, for example. But the state of play now is that every member state acts on its own in its attempts to guarantee its energy security and diversify its energy supplies. For example, while Russian gas imports may be a source of diversification for Italy, the UK and Belgium, for the huge region of Eastern and Central Europe, comprising member states that joined in 2004 and 2007, the proportion of Russian imports in the whole gas import package is a serious security challenge. Currently, there is a lack of a pan-European energy strategy or even a framework for a future common approach whereby such various member state concerns can be balanced so that Europe can speak with one voice as regards powerful external energy suppliers.

Interests of External Players

In terms of hydrocarbon supply, despite efforts toward diversification, Bulgaria sometimes finds itself trapped by the independent and diverging interests of suppliers other than Russia. The most realistic alternative source of natural gas for Bulgaria and Eastern Europe as a whole is the Caspian region (and maybe later Iraqi Kurdistan). But the June decision by Azerbaijan's Shah Deniz consortium (operating the country's huge deposits in the Caspian Sea and comprising also western companies such as BP and Statoil) to choose the Trans Adriatic Pipeline (TAP) as a preferred export line to Europe via Turkey has limited Bulgaria's options. TAP will run from the Turkish-Greek border via northern Greece, Albania, under the Adriatic into Southeast Italy, and was preferred over the EU-backed Nabucco West, which would cross from Turkey into Bulgaria and continue via Romania and Hungary into Austria. The Shah Deniz decision effectively spoiled the most imminent option of diversification for Bulgaria.

Risks

The potential negative developments for Bulgaria vis-à-vis energy security are the following:

Continued or Increased Energy Dependence on Russia

This scenario appears quite realistic, given the collapse of Nabucco West and the momentum another grand Russian natural gas project is gaining – South Stream. Bulgaria signed an agreement for the construction of the South Stream pipe on its territory last November, and gas should start flowing by late 2015. South Stream's feasibility, with its huge estimated cost (€30 billion) and planned capacity (63 bcm/year) is questionable. But if made a reality, the pipeline will not offer any alternative origin of supply for Bulgaria – only an alternative route circumventing Ukraine. Another issue is the form of payment Russia expects from Bulgaria for the €1.5 billion euro portion of the pipe on Bulgarian territory. The official position is that Bulgaria will not pay it cash but through future collections on the transit. But there are speculations that in fact the country will be obliged to

take a high-interest loan from a Russian institution to finance its participation.[3]

NPP Belene

Another risk is posed by the announced intent to restart the Russian-backed Belene NPP project by the current Socialist-led government. As already described, the project is highly unprofitable for Bulgaria and its taxpayers, and a restart will cause an enormous financial burden on future generations, as there is apparent lack of interest from international investors to take such a risk with Belene. By endorsing the project once again (despite a failed referendum for its construction in January 2013), Bulgaria will further increase its dependence on Russia by relying on its distribution assets, in addition to its already overwhelming hydrocarbon dependence, as the National Electricity Company will be tied in debt to ASE and the Russian state.

Drop in Regional Power Demand

In the electricity sector, the steadily diminishing energy consumption in Bulgaria and the Balkan region since 2012 is a critical risk. In fact, Bulgaria's domestic demand and exports dropped so much in the spring of 2013 that the national grid operator had to ask for production at NPP Kozloduy to be reduced and stopped buying power from the hundreds of small renewable energy producers. In this context, the blatant irrelevance of a renewed NPP Belene is even more obvious.

Perspectives

The EU and Power

There is hope on the horizon vis-à-vis Bulgarian energy security through existing and future EU policies. Despite a lack of a unified energy strategy towards Russia, the EU has clear and useful rules for promoting a competitive and sustainable energy sector in member states. The expected developments in Bulgaria are: a higher share of renewable energy facilities; the introduction of new, EU-approved technologies in power generation, manufacturing, etc. that will be less energy-intensive and more environmentally-friendly; as well as higher energy efficiency in transport, heating buildings, etc.

The EU and Hydrocarbons

Regarding hydrocarbons, the EU's role is not to be overlooked either. The interconnectors with Greece and Romania are nearing completion, although more slowly

than expected, and the funds for the ones with Turkey and Serbia have already been agreed. These facilities will allow a reversible flow of gas and will mitigate potential future crises – like the crisis of 2009. Bulgaria will be able to import Azeri gas from TAP,[4] Shah Deniz's choice to access the EU market, if the interconnectors with Greece and Turkey start functioning by 2019.[5] The European Commission has also not ruled out the construction of Nabucco West, even after it lost to TAP.[6] In the longer term, it is up to Bulgaria to start building coalitions among member states for a stronger single EU energy strategy towards Russia. Potential allies are all Eastern European countries, and even Germany.

Own Deposits

A good opportunity for Bulgaria to support its energy security would be if the tests for natural gas in the Black Sea shelf that have been initiated turn out positive. Bulgaria has contracted Exxon Mobile and Total for the explorations and the preliminary results are promising.[7] Another opportunity is future extracting of shale gas in Northeast Bulgaria, but environmentalist protests against exploration made parliament issue a moratorium on tests last year.

Conclusion

Albeit an EU member benefiting hugely from some EU policies on competition, diversification and sustainability, Bulgaria remains an insecure Southeast European country vis-à-vis energy. This is mainly due to its overwhelming dependence on a sole hydrocarbon importer – Russia. Russia is also an important factor in Bulgarian power industry as a supplier of nuclear fuel for its NPP Kozloduy. It may even become a more decisive player if the South Stream gas pipeline and NPP Belene projects actually become a reality. An additional problem with Russia is that it has proved an unreliable partner in the winter of 2009, when it cut gas supplies to Southeast Europe because of a row with transit country Ukraine – proving that monopolies can sometimes be whimsical. Bulgarian energy security is also undermined by high levels of domestic corruption and control

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[3] See Aleksandrova, Galina. "Колко ще ни струва руският заем за 'Южен поток' [How much will the Russian loan for South Stream cost us]". *3e-news* Information Portal, 8 July 2013. Available at: http://3e-news.net/show/33373_kolko%20shte%20ni%20 struva%20ruskiyat%20zaem%20za%20ujen%20potok_bg/.

[4] See "Bulgaria seals deal to purchase Azeri gas". *Novinite,* 19 Sept 2013. Available at: http://www.novinite.com/articles/153786/Bul garia+Seals+Deal+to+Purchase+Azeri+Gas.

[5] See Makan, Ajay. "Azerbaijan gas decision to disappoint Brussels". *Financial Times,* 19 Sept 2013. Available at: http://www.ft.com/intl/cms/s/0/0f9a3c44-212a-11e3-a92a-00144fe ab7de.html#axzz2fiIxwd3q.

[6] Guarascio, Francesco and Andrius Sytas. "Failed Nabucco West plan still on EU priority list-sources" *Reuters News*, 20 Sept 2013. Available at: http://www.reuters.com/article/2013/09/20/eu-energy projects-idUSL5N0HG26S20130920.

[7] Konstantinova, Elizabeth. "Exxon, Total, Melrose Vie for Black Sea Drilling in Bulgaria". *Bloomberg*, 21 June 2012. Available at: http://www.bloomberg.com/news/2012-06-21/exxon-total-melrose -vie-for-black-sea-drilling-in-bulgaria-2-.html.

of the industry by informal networks, legacy of the communist past; by the lack of a coherent EU energy strategy that would defend the interests of smaller member states against big external suppliers; and sometimes by energy suppliers alternatives to Russia such as Azerbaijan's Shah Deniz consortium, which do not always see their interests as coinciding with those of energy insecure countries in Eastern Europe.

Table 1: The Nabucco and South Stream Projects Seen as Crossing Bulgarian Territory

Source: http://commons.wikimedia.org/wiki/File:Projet_Pipeline_South_stream_et_Nabucco.png
The use of this map (dated January 8, 2008) is without any reference to the status of Kosovo, which officially declared independence from Serbia on February 17, 2008. It was chosen for a lack of more contemporary, publicly available maps of pipeline projects on Bulgarian territory.

RENEWABLE ENERGY SOURCES AND ENERGY EFFICIENCY AND THEIR ROLE IN SEE ENERGY SECURITY

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Southeast European (SEE) countries, notably those in the Eastern Balkans, the East Mediterranean and Turkey have seen a steep rise in Renewable Energy Source (RES) applications over the past few years. Especially during the last three years (2009-2012), RES' input has started to register in several countries' energy mix. This is a notable departure on account of the energy policies adopted with important long term implications. The following observations are pertinent:

- RES growth in SEE is the result of various incentive structures adopted by the different countries, which have enabled rapid RES development and the launching of large scale Energy Efficiency programmes.

- Most of these incentive structures were adopted from the EU's pro-environment policies and in particular Directive 2009/28/EC, in which the 20-20-20 goal was stated. Some countries, notably Greece, Bulgaria and Romania, had already adopted a number of support measures going back many years.

- As RES installations have risen in numbers and established the capacity to produce electricity, their contribution to both the electricity mix and the energy mix in the various countries of the region has increased considerably. The contribution of RES electricity capacity to the total electricity capacity in most countries of SEE is high, on average above 35%.

- The contribution of RES in the various countries' electricity mix is at noticeable levels but far smaller when compared to the overall energy balance.

- A comparison of the energy efficiency programs adopted by selected countries in the region (i.e. Greece, Bulgaria, Romania, Cyprus and Serbia) reveals wide variation in terms of scope, objectives and policies applied. Almost all programs focus on the building sector, which has been identified as the most promising in terms of applications and user involvement.

Renewable Energy Sources

Table 1 shows the installed electricity capacity from various forms of RES, notably hydro, wind and photovoltaics, in the different countries together with the corresponding total electricity capacity of each country's interconnected grid. This comparison reveals rather high RES penetration in the electricity mix of the various countries ranging from 28% in the case of Turkey to 96% in the case of Albania. It is characteristic of the

Western Balkan region that hydro is the predominant form of RES, almost to the exclusion of all other types, save biomass which is used for space heating and cooking purposes, but in most cases remains unaccounted for due to lack of verifiable data. However, biomass, especially in the case of the Western Balkans, could turn out to be a significant RES source with good potential for commercial exploitation. In the case of hydro, it is important to note that the installed capacity, as it appears in the table below, includes both large and small hydro plants.

Table 1 – Installed Electricity Capacity in SEE and the Share of RES in Electricity

	Hydro[1] (MW)	Wind (MW)	PV (MW)	Total RES (MW)	Total Electricity (MW)	RES (total %)
Albania	1.466	0	0	1.466	1.496	96%
Bosnia & Herzegovina	2.058	0	0	2.058	3.803	53%
Bulgaria	2183	682	980	3.874	13.759	29%
Croatia	2.112	180	2.9	2.295	4.268	54%
FYROM	580	0	1	581	1.600	36%
Greece	3.060 + 218	1750	2.600	7.673[2]	17.700	44%
Montenegro	660	0	0	660	870	73%
Romania	6.400	2.095	94	8.640[3]	17.360	50%
Serbia	2.831	0[4]	2	2.833	8.360	34%
Turkey	14.000	2312	2	16.500[5]	60.121	28%

[1] Including both large and small hydro
[2] Including some 50 MW of biomass installation
[3] Including some 40 MW of biomass installation
[4] A wind farm of 120 MW is under construction since September 2013
[5] Including 180 MW of geothermal power plants

A full size table is attached to this paper.

Table 2 – Energy Mix of selected countries in SEE (in %)

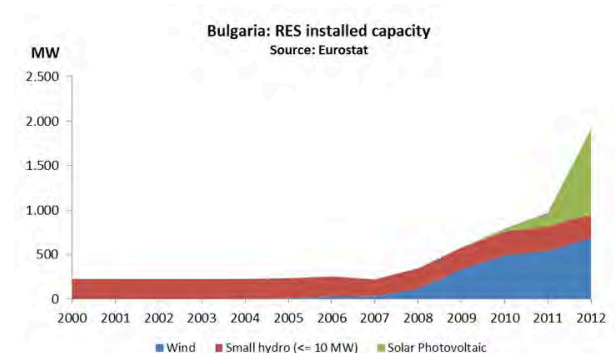|	Solid Fuels	Oil Products	N. Gas	Nuclear	Electricity	RES
Bulgaria	35.5	34.0	21.0	5.5	⬚	3.5
Croatia	5.0	69.0	10.0	⬚	⬚	16.0
Greece	28.0	49.0	14.0	⬚	1.0	8.0
Romania	19.5	25.8	30.1	8.4	⬚	16.3
Turkey	29.0	31.0	31.0	⬚	5.0	6.0

A full size table is attached to this paper.

The participation of RES in the total electricity mix of the various countries of the SEE region varies considerably and ranges from 3.5% in the case of Bulgaria to 16.3% in Romania, as shown in Table 2. Given the EU's goal for an optimum 20% RES penetration in the energy balance by 2020, the situation in most SEE countries is far from satisfactory especially for countries like Greece, Bulgaria and Cyprus. On the other hand Croatia and Romania are very near to achieving their target. Overall one could say that RES development in SEE has now been established on a firm footing although considerable challenges remain in view of required revisions to the scale of incentives applied, especially feed in tariffs (as the latest experience in Bulgaria and Greece suggests, see http://www.iene.gr/bulgaria-res2012/ for the situation in Bulgaria and

http://www.iene.gr/viosimotita-ape/ for the situation in Greece).

As can been seen in Figures 1 to 3 the RES installed electricity capacity has risen steeply in Bulgaria, Greece and Romania from 2009 onwards mainly on account of photovoltaics and wind. In Turkey, RES applications have also risen fast over the last five years on account of hydro, wind and geothermal. According to the latest information and in light of extensive revisions to the feed in tariff system, RES's growth trend in Greece and Bulgaria will be seriously curtailed over the next few years, during which we shall see a rationalization in the RES market with a more normal growth pattern returning after 2016.
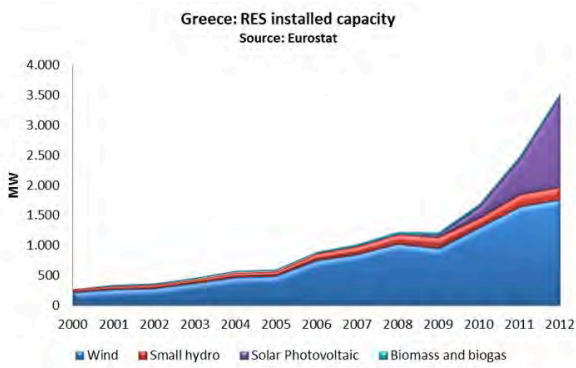
Renewable energy sources in SEE Europe already contribute a fair extent to energy security, mainly through the participation of hydro units, both large and small, and their key role in maintaining storage capacity. For wind energy systems to be effective in terms of energy security they will have to be linked to pumped storage schemes. Unfortunately very few such projects are currently being developed. Although they do not offer storage capability, photovoltaics are effective in that they help meet peak electricity demand during the hot summer months, when increases in electricity demand to the operation of thousands of air conditioning units tends to overload the grid system.
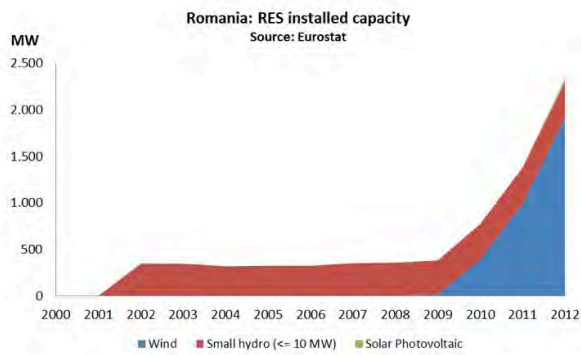
Figure 1

A full size chart is attached to this paper.

Figure 2

Greece: RES installed capacity
Source: Eurostat

A full size chart is attached to this paper.

Figure 3

Romania: RES installed capacity
Source: Eurostat

A full size chart is attached to this paper.

Figure 4

Bulgaria's Energy Mix (2012)

Figure 5

Croatia's Energy Mix (2011)

Figure 6

Greece's Energy Mix (2011)

Figure 7

Turkey's Energy Mix (2011)
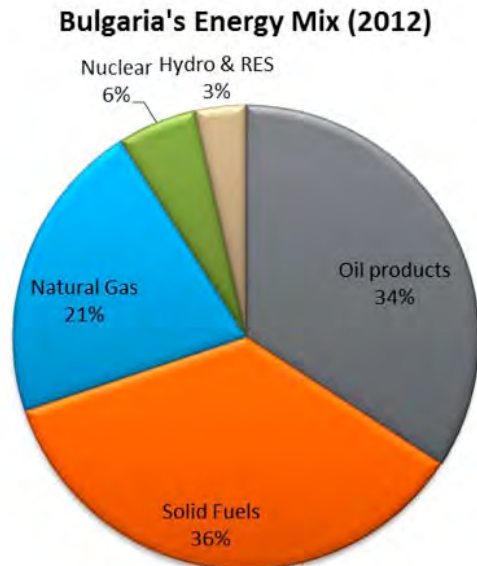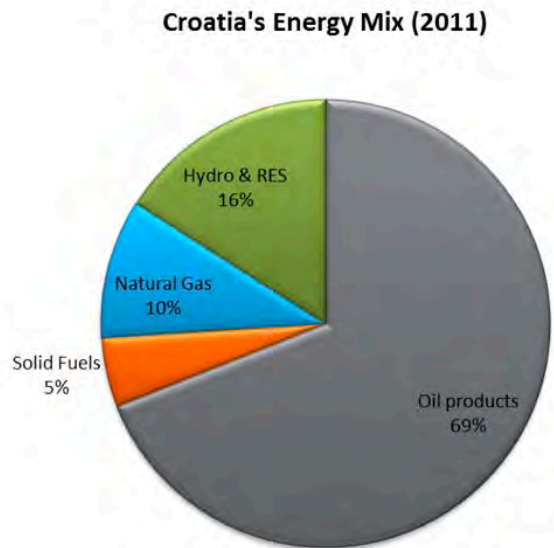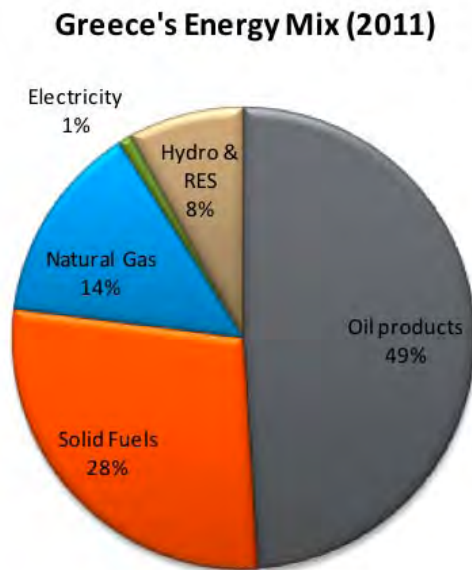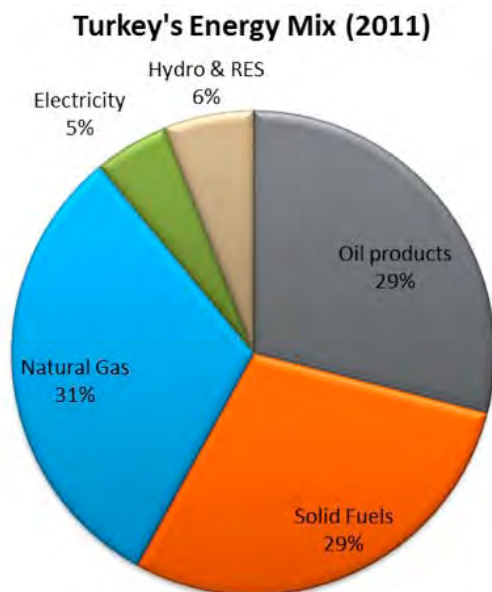
Energy Efficiency

Following the introduction of the EU's Energy Performance of Buildings Directive (2010/31/EU) and the Directive 2012/27/EU on Energy Efficiency, plans to introduce energy efficiency measures in the building sector have accelerated in EU member countries across SEE. These plans include the detailed application in practice of the definition of nearly zero-energy buildings (including a numerical indicator of primary energy use expressed in kWh/m^2 per year), intermediate targets for improving the energy performance of new buildings by 2015, and information on the policies and financial or other measures aimed at promoting NZEBs

At the same time the latest Energy Efficiency Directive lays down rules designed to remove barriers in the energy market and overcome market failures that impede efficiency in the supply and use of energy, and provides for the establishment of indicative national energy efficiency targets for 2020. Measures include the legal obligation to establish energy efficiency obligations schemes or policy measures in all member states.

The introduction of energy performance certificates for buildings in the EU and the countries in SEE is considered a key instrument in achieving the goals of implementing energy efficiency measures. In this respect some countries in SEE have introduced systematic energy inspections of buildings by trained energy inspectors. Energy inspectors and the award of an energy certificate are necessary for the granting of financial assistance to householders. Greece, followed by Romania, is leading the energy efficiency market in SEE having already approved more than 40,000 energy improvement schemes corresponding to more than 400 million euro financial support (since the start of the program in

2011). In SEE already these measures drive energy efficiency improvements in households, industries and transport sectors. Other measures include the public sector playing an exemplary role and a right for consumers to know how much energy they consume.

Table 3 – Summary of Key Grant Schemes For Improving Energy Efficiency in Buildings in SEE countries

Country	Description of Grant Scheme
Cyprus	− Encouraging the use of renewable energy sources for natural and legal persons and public entities engaged in economic activity − Scheme for subsidizing CFL lamps − Government grants scheme for energy savings/RES for the public sector and wider public sector
Bulgaria	− Demonstrations project for housing renovation in Bulgaria and financing the building insulation for energy efficiency − Residential Energy Efficiency Credit Facility REECL
Greece	− Exoikonomo Katoikon (Saving Energy at Home) − Exoikonomo (Saving) − Installation of Photovoltaic systems
Romania	− LGGE Improving Energy Efficiency in Low-Income Household and Regions of Romania − Casa Verde Program − Thermal rehabilitation of housing stock financed by bank loans with government guarantee − Multiannual national programme for increasing the loan energy performance of block of flats/houses

Today there are well-established and coordinated efficiency programs in Greece, Bulgaria, Romania and Cyprus, while Turkey offers various incentives to house owners for thermal inculcation and the installation of Solar Water Heating systems. Table 3 presents a summary of current programs in selected countries. Most of these programs focus on the building sector with household applications corresponding to the largest share in terms of eligible financial support. Applications in public sector buildings are also attracting financial support and are considered important because of their demonstration value.

As these energy efficiency programs are still in their initial stages (i.e. in their 2nd or 3rd year in most cases) proper field assessments are still lacking and therefore it is difficult to predict their likely input in terms of energy savings on a country-to-country basis. However, quantifying potential energy saving contributions of existing building stock in the various countries of SEE is

necessary if we are to assess their role from an energy security point of view.

Solar Thermal

Solar water heating systems (SWH) for domestic and industrial hot water requirements is another important area of energy efficiency. Two countries in particular in SEE, Greece and Cyprus, have a long track record as SWH systems represent a sizeable share in the energy mix, leading to energy savings. Given their high levels of solar radiation Greece and Cyprus, and lately Bulgaria, are utilizing solar energy to substitute conventional electricity boiler type systems for water heating. In terms of total installed capacity, Greece now counts 2.9 GW (4.1 mio m^2), representing an increase of 1%. Bulgaria has some 122,100 m^2 of glazed collectors contributing 85,470 KW (th) while Cyprus totals 707,776 m^2 of collectors contributing some 495,443 KW (th). It must be noted that Cyprus and Greece along with Austria have some of the highest solar thermal capacity in operation in the EU, and worldwide, ranging from 250 to 580 KW per 1,000 capita (see Figure 8).

Figure 8
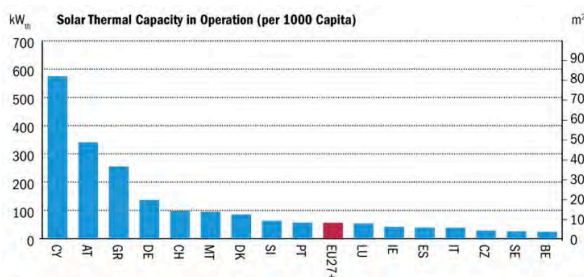
A full size chart is attached to this paper.

Greece has the second largest total installed capacity, after Germany and is almost level with Austria. In fact, Greece is in a unique situation in this regard. In the early 1990s, the annual installed capacity was already similar to current levels. Bearing in mind that the average lifetime of a system considered for statistical purposes is 20 years, it means that in the Greek market the total installed capacity has stabilized over recent years. This is a situation currently particular to Greece but which will become applicable to other countries in the future. Therefore, it should be better understood and the rate of replacement of old systems studied in depth.

Energy Security

As a general observation, one could say that the increased participation of RES in the energy mix can play an important role in strengthening energy security at both country and regional level. In Figure 4-7 the energy mix of Bulgaria, Croatia, Greece and Turkey are shown. Large-scale application of energy efficiency measures can also contribute greatly toward energy se-

curity by curtailing energy demand; however their contribution is not easily quantifiable. The extent to which RES can contribute in bolstering energy security depends on four key factors. Firstly, the installed electricity capacity of RES and its relation to the overall power generation capacity of the country concerned; secondly the grid development and its operational level which allows for maximum utilization of the electricity produced; thirdly the availability of energy storage mechanisms (both dispersed and pumped storage); and fourthly the actual contribution of RES in each country's energy balance.

Today we witness various levels and speeds of RES and energy efficiency development in the different countries of SE Europe both in terms of installations and participation in the energy balance. In fact there is considerable divergence between the various countries, as it is shown in the data presented. The same applies for the state of the electricity grids of the various countries. Consequently the role of RES in the integration of regional energy markets (i.e. electricity and gas) is marginal at this stage since the focus is, and will remain at least until 2020, on grid upgrading and expansion.

However, the anticipated addition of sizeable energy storage capacity in conjunction with further RES development is likely to propel RES to the front line of power generation and participation in the national energy mix of the SEE countries. The addition of energy storage is thus expected to correct and improve the intermittent nature of RES power generation, thus improving predictability of RES availability in the context of daily electricity market operation.

Conclusions

In general large-scale RES development and implementation can contribute towards improving SEE countries' energy security. However, the degree to which RES can bolster energy security depends greatly on the type of RES used, its connectivity to the national grid and its storage capability. If RES development is to be pursued from an energy security perspective, then emphasis will have to be placed on dispersed and pumped storage schemes so as to overcome the drawback from the intermittent nature of renewable energy sources, notably wind and solar. Energy efficiency applications can also help lessen a country's dependence on fossil fuels and/or imported fuels. However, considerable work is still required if one is to assess their potential impact in terms of improving energy security.

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[1] Including both large and small hydro

[2] Including some 50 MW of biomass installation

[3] Including some 40 MW of biomass installation

[4] A wind farm of 120 MW is under construction since September 2013

[5] Including 180 MW of geothermal power plants

Table 2 – Energy Mix of selected countries in SEE (in %)

	Solid Fuels	Oil Products	N. Gas	Nuclear	Electricity	RES
Bulgaria	35.5	34.0	21.0	5.5	▯	3.5
Croatia	5.0	69.0	10.0	▯	▯	16.0
Greece	28.0	49.0	14.0	▯	1.0	8.0
Romania	19.5	25.8	30.1	8.4	▯	16.3
Turkey	29.0	31.0	31.0	▯	5.0	6.0

Figure 1
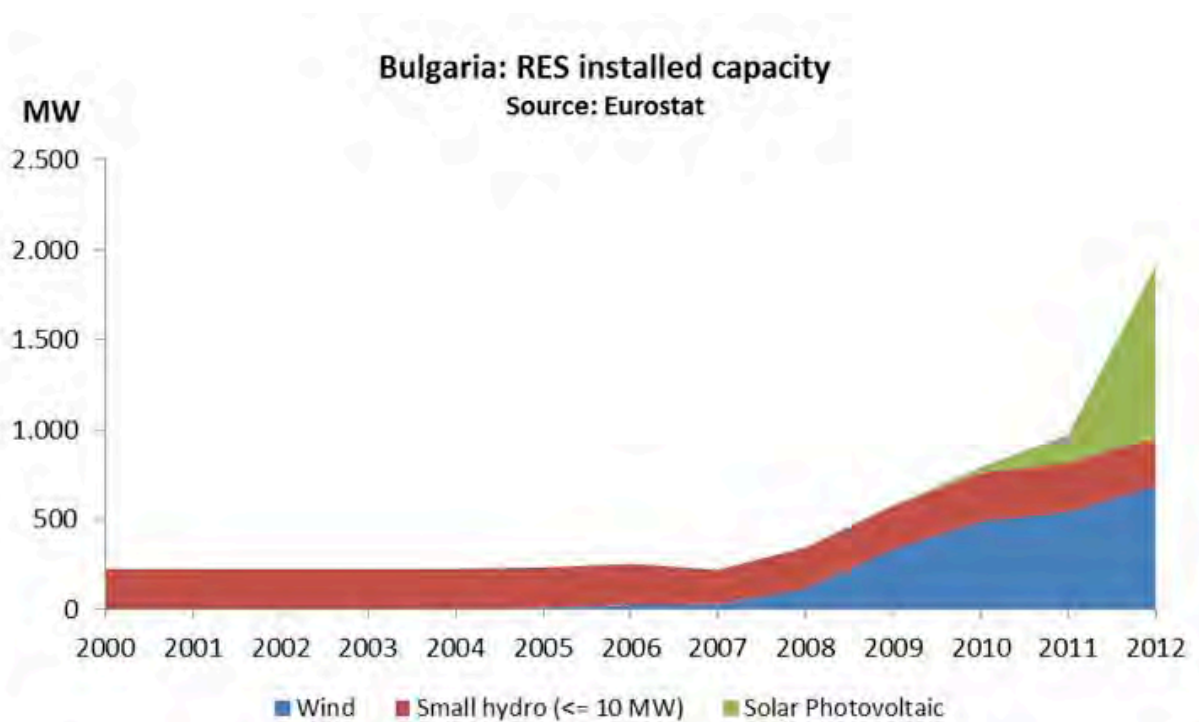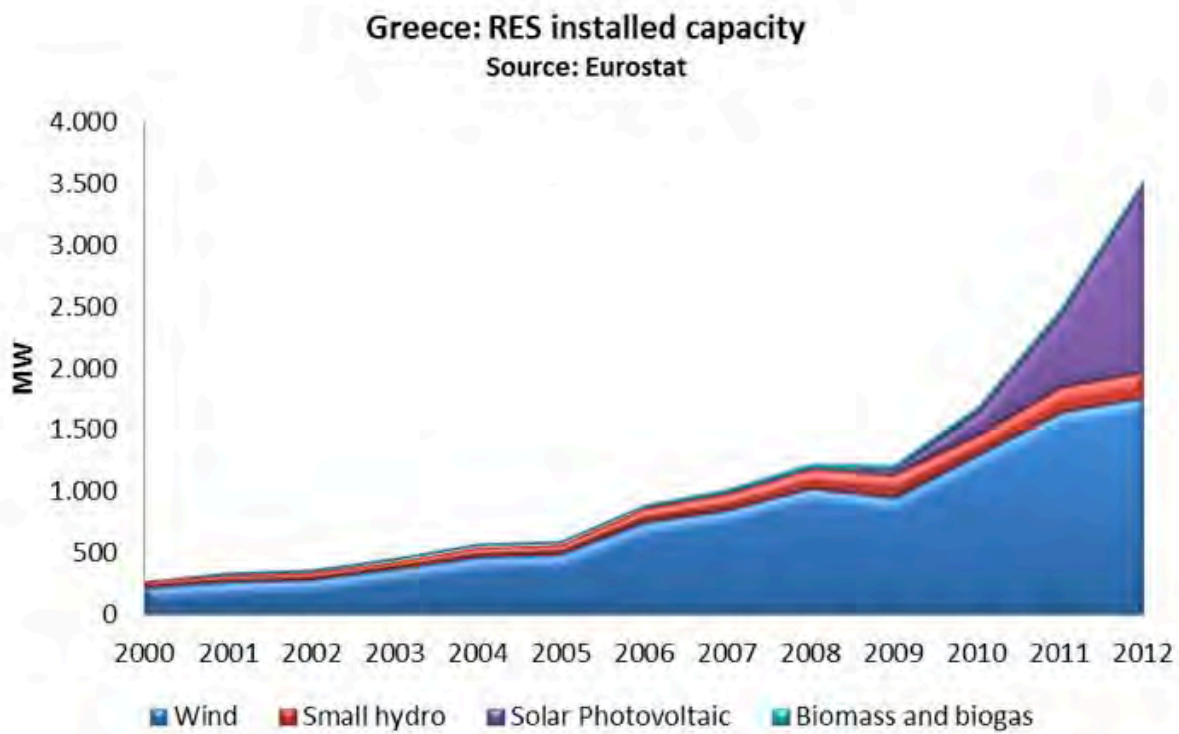
Bulgaria: RES installed capacity
Source: Eurostat

Figure 2

Greece: RES installed capacity
Source: Eurostat

■ Wind ■ Small hydro ■ Solar Photovoltaic ■ Biomass and biogas

Figure 3

Romania: RES installed capacity
Source: Eurostat

■ Wind ■ Small hydro (<= 10 MW) ■ Solar Photovoltaic
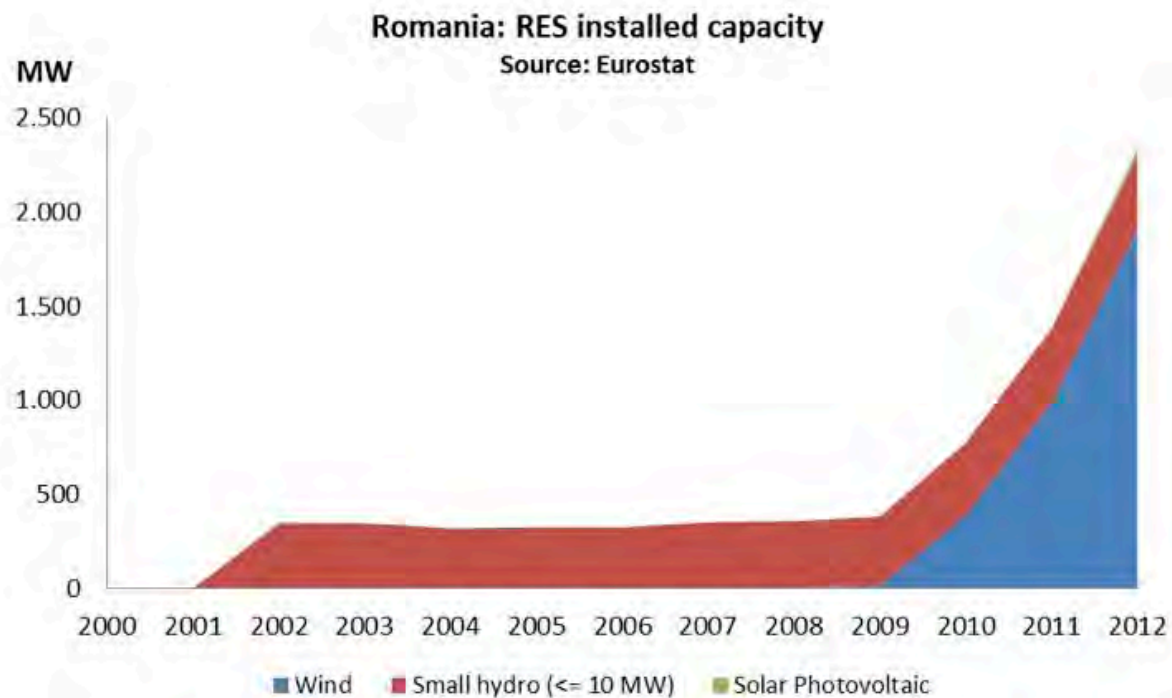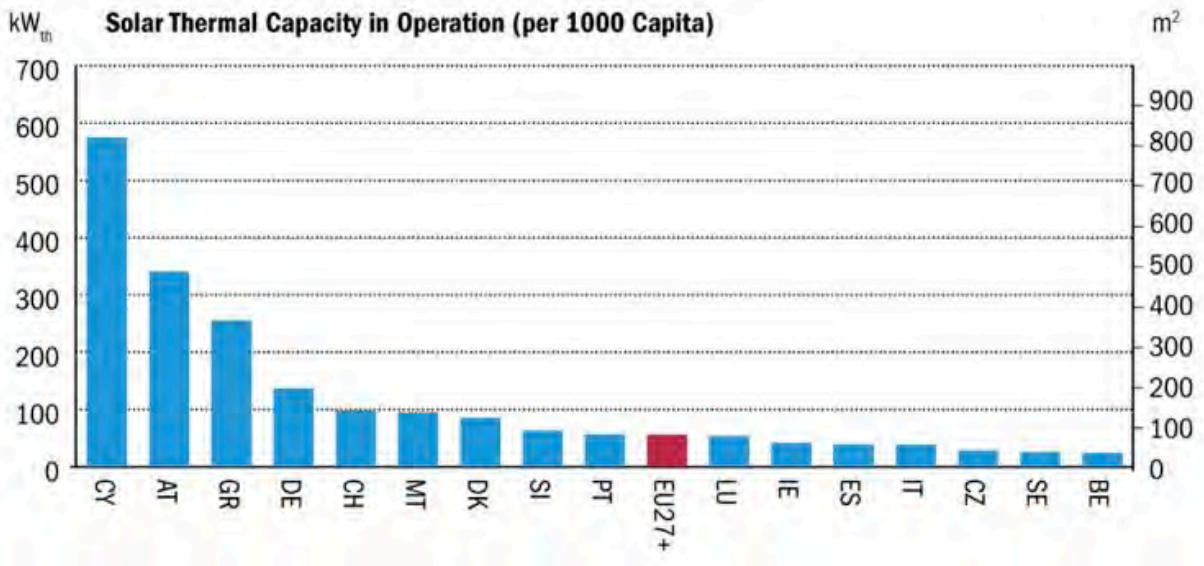
Figure 8

Solar Thermal Capacity in Operation (per 1000 Capita)

THE PLACE OF SOUTHEAST EUROPE IN THE NEW ENERGY STRATEGY OF RUSSIA UP TO 2035 (THE GAS ASPECT)

Alexey Belogoryev
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A new Russian energy strategy is currently being developed under the leadership of the Russian Ministry of Energy for the period leading up to 2035. This document is expected to be approved by the Russian Government by the end of 2014. It was developed in 2007-2008 and adopted in November 2009. Because of the global economic crisis, the macroeconomic conditions of world energy developments have drastically changed over the past four years, as well as the situation of all key markets of energy resources.

The hierarchy of risks in the Russian gas industry has also fundamentally shifted over the last five years. Before 2008, the impending shortage of supply in the Russian gas balance was considered to be the most critical risk. This led, in particular, to large-scale plans for imports from Central-Asian countries (up to 133 bcm by 2020, according to the early project of a general scheme of Russian gas industry development). Today, the situation has been entirely reversed: the supply is abundant (a kind of crisis of overproduction), prospects of demand on both domestic and especially foreign markets are very uncertain, and gas imports from Central Asia and Azerbaijan barely reach 35 bcm per annum.

One of the biggest problems that Russian energy industry, and especially the gas sector, has faced since 2007 is the reduction of energy consumption in the EU, which is traditionally the main export market for Russia. Between 2006 and 2012, primary energy consumption in the EU-27 decreased by 8 % (while global consumption grew 13.4 %), including a decrease in natural gas consumption of 7.9 %.

What adds pessimism is that European GDP is already sufficiently gas-intensive for the market, which is highly dependent on gas imports. The highest gas intensity is registered in the countries with the lowest gas consumption per capita (Spain, France, Poland, etc.), which is, on the one hand, paradoxical, but on the other hand, this explains the stabilization of gas demand in these countries.

As a result, according to the Central Bank of Russia, Russian gas exports to the so-called 'far abroad' countries (exports excluding CIS countries) decreased by 30.4 %, or 49.1 bcm per annum, in 2006-2012. If it were not for the maintenance of sky-high gas export prices throughout this period (USD 298.7 per tcm including supplies in CIS), Russian gas industry would have faced sharp reduction in revenue and investment resources. However, the persistence of high prices, especially during the economic crisis in Europe, undermines the long-term competitiveness of Russian gas and narrows its promising export niches, which arise in connection with a decline in gas production in European

countries. What is more, the gas price of Gazprom at the border with Germany in 2011-2012 was on average USD 80-100 per 1 tcm higher than spot prices in continental Europe, including Germany. In addition, the negative perception of Gazprom in Europe at a political level plays a non-negligible role.

Due to the stagnation of gas demand on the European market, the agenda for dialogue between Russia and the EU has been changing significantly in this regard. Until 2009-2010, discussions focused on the third EU energy package, risks of Russian gas transit through Ukraine, the penetration of Gazprom into the market for European gas end-consumers, and, most importantly, on long-term guarantees of supply to the growing EU market from Russia. To a large extent, these discussions defined the investment strategy of the Russian gas industry.

By 2008-2012, these questions had not lost their relevance but had become secondary. The new issues that were added to the dialogue included the requirements of European companies for long-term contracts with Gazprom towards greater flexibility in the minimum level of sales volumes, and the inclusion of spot market indicators into the pricing formula. But the main change related to the long-term prospects of Russian gas supplies. The objective stagnation of EU demand for gas, against a background of a temporary excess supply of LNG on the world market, added to the infringement of the role of gas in the current EU energy strategy, poses a critical risk to the implementation of Gazprom extractive and transportation projects aimed at the European market. These include *South Stream*, the expansion of *North Stream*, the possible construction of a new pipeline *Yamal-Europe*, and the creation of an LNG plant in the Leningrad region.

On the other hand, the crisis of demand for gas in Europe raises the importance of diversification for Russian gas supplies to new markets. These include the Asia-Pacific region, as well as the not recent but still growing markets of Southeast Europe, and first of all of Turkey. According to the report *Gazprom Export* for 2012, Russia exported 35.81 bcm to the Balkan countries, including 27.03 bcm to Turkey. Turkey is the third largest importer of Russian gas after Germany and Ukraine, and the only major European market with significant projected growth of demand for Russian gas.

However, Russian gas now faces greater competition from alternative suppliers not only in the EU, but also in Turkey – in particular from Azerbaijan, Iran, suppliers of LNG, etc.

Azerbaijani gas itself does not pose a serious threat to the Russian export interests in Southeast Europe because of its relatively small volumes of exports (7 billion bcm per annum today and about 20 bcm by 2020). But Russia is still trying to limit Azerbaijan export po-

tential by purchasing, since 2011, parts of Azerbaijani gas (currently 2 bcm per annum) at premium prices.

Russia's concern is first of all connected with the possibility of supplies of Turkmen or Iranian gas to Europe. For more than ten years, Russia has succeeded in blocking any attempt to build a Trans-Caspian gas pipeline, and one of the important consequences was the reorientation of Turkmenistan to gas export to China. Russia has also been supporting projects for the transport of Turkmen gas to India and Pakistan no less actively – which, according to Russian estimates and taking into consideration the increase of export to China, would allow for the basic export target of Ashgabat to be met. As a result, according to Russian estimates, unlike the situation in 2009-2012, when Turkmenistan formed large surplus in gas production capacity due to a sharp import decline of Gazprom gas, by 2020 there will be no "excess" gas in Turkmenistan.

Of course, Russia, along with Iran, will continue to exert political pressure on plans to build a Trans-Caspian gas pipeline. All of this makes the prospect of deliveries of Turkmen gas to the "Southern corridor" unlikely.

Much more difficult and dangerous for Russia, as well as for Azerbaijan and other traditional gas suppliers to Central and Southeast Europe, is the prospect of gas supplies from Iran (Iranian gas is already exported in small volumes to Armenia and Turkey). In addition to continuing geopolitical tensions in the region, Russia lacks other levers of influence on potential Iranian exports. This is why Iranian gas should be seen as the key risk for Russia's export policy in Southeast Europe.

This, however, is not directly related to the implementation of the Russian South Stream project. South Stream is not a direct competitor to Nabucco, or the «southern corridor» in general, because it does not imply new volumes of Russian gas exports to Europe. The implementation of this project (its construction officially began in December 2012, but has not seen concrete progress since) is exclusively connected with the Russian government policy of gradual cessation of gas transit through Ukraine (in 2012 transit fell by 20%, down from 115-120 bcm to 81.2 bcm per annum). Thus, the economic impact of this project is only limited to the redirection of gas flows between the different pipelines, and will neither develop new markets nor expand existing ones. This distinguishes it from the projects of the southern corridor, which still focuses on the conquest of new markets in Southeast and Central Europe.

Balkan countries (Greece, Bulgaria, Romania and the former republics of the SFRY), have limited potential for long-term growth in Russian gas exports due to the small scale of their domestic markets and their weak growth prospects. Nevertheless, they occupy a very prominent place in the energy policy of Russia, including the Energy strategy up to 2035, due to three factors.

First of all, it is a transit potential for the transportation of Russian gas (mainly South Stream) and, possibly, Russian oil (Bulgaria is blocking the project of an oil pipeline Burgas-Alexandropoulis).

The second factor is the opportunity for Russian companies to sell energy to the end consumers that are much broader in this region than in most EU countries. This was an important goal in the framework of the energy strategy of Russia up to 2030 and still retains its relevance. A key innovation of the new strategy is the quest for greater integration of Russian companies in the electric capacity (not only in the Balkans, but in export markets in general), while previously the attention was focused on oil and gas assets. Russian gas deliveries to the region involve, in Russian understanding, gaining additional margins from the use of gas in thermal power generation, as it is its main consumer.

Finally, the third factor, not directly associated with energy, is the use of investments in the energy sector as the main element of Russia's economic expansion and foreign policy cooperation in the Balkans region. The Russian political elite and a large part of society are characterized by the "syndrome of the 1990s", namely the desire to restore its political standing in the Balkans, which was lost in the 1990s largely due to the fault of its own political leadership. No wonder, therefore, that Serbia remains the central element of Russia's energy policy in the Balkans (in respect of its guilt in the Balkan wars of the 1990s, Russia and the West still retain fundamentally opposed positions).

Nowadays, as in the 2000s, Russia considers economic cooperation to be the key to restoring political influence in the region, especially against the background of a strengthening of the Balkan's EU integration and relations with Turkey. Due to structural features of Russia's own economy, the energy sector will objectively play the leading role in this cooperation.

NATURAL GAS SECURITY IN CENTRAL AND SOUTHEAST EUROPE – A TRANSATLANTIC PERSPECTIVE

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Center for Transatlantic Relations
Johns Hopkins University

Abstract

The fundamentals of the natural gas sectors of the U.S. and EU are on a divergent path. As the U.S. prepares for gas exports on the back of the unconventional gas revolution, Europe has to face declining indigenous production and increasing imports. Central and Southeast Europe has moved closer to integrate into the EU's internal energy market, but it remains in a vulnerable position in the short-term even compared to the rest of the EU and especially the U.S. due to the region's historic exposure to a single supplier's monopolistic abuse. A concerted U.S., EU and regional effort is needed to implement the diversification strategy, where U.S. LNG exports could make a real difference. In the medium- and long run, the region can benefit from and play a crucial role in Europe's gas supply diversification strategy and may even succeed in adapting the U.S. unconventional experience, contributing to a healthier energy balance on the continent.

Strategic Context

Transatlantic cooperation on energy in general and natural gas in particular has a rich history, albeit at times a rocky one. Cooperation intensified after the first oil crisis in 1973-74 and led to the establishment of the International Energy Agency (IEA), the OECD's energy arm. In the 1980s the transatlantic partners somewhat differed in their views on core energy security issues and in their responses to challenges. The role of the Soviet Union in providing oil and natural gas to Europe was a particularly touchy subject in the 1980s and led to debates between the United States and Western Europe. Transatlantic cooperation again intensified in the 1990s and 2000s on various issues, such as new oil and gas pipelines,[1] as well as energy efficiency, RD&D cooperation, carbon capture and storage projects, smart grids, and energy storage. This culminated in the establishment of the EU-U.S. Energy Council in November 2009, which testified to the recognition of energy as an issue of strategic importance and great potential in transatlantic cooperation[2]. President Obama's reelection in 2012 and a growing recognition of climate change as a real threat in the United States may bring the allies even closer.

As natural gas is widely viewed by policymakers as a cleaner burning "bridge fuel" into a future that is domi-

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[1]   Such as the Baku-Tibilisi-Ceyhan oil pipeline and the planned Nabucco pipeline.

[2]   David Koranyi (ed.) Transatlantic Energy Futures - Strategic Perspectives on Energy Security, Climate Change and New Technologies in Europe and the United States, December 2011, Johns Hopkins SAIS Center for Transatlantic Relations, page xiii-xiv.

nated by zero-carbon energy resources, both the U.S. and the EU treat it as a strategic fossil fuel resource, the demand for which will likely increase further in the medium- and long-term. Natural gas is at the heart of policy and investment decisions that fundamentally affect both geopolitics and energy security, nowhere more so than in Central and Southeastern Europe (CSEE).[3]

At the same time there are tectonic shifts in the energy markets on both sides of the Atlantic. The allies find themselves in starkly different situations when it comes to gas (and oil). America is just beginning to fully grasp the consequences of the unconventional gas and oil revolution that has already dramatically reduced U.S. exposure to external sources of fossil fuel supplies. Whereas eight years ago, the U.S. imported 60% of its crude oil, today, that number is – mostly on the back on enhanced vehicle fuel economy standards and increased production of domestic unconventional oil – below 40%. That could further decrease to the lower 20s by 2020.[4] In 2005, the U.S. Energy Information Administration prognosticated that the U.S. will become the largest natural gas exporter by 2015. Today the U.S. is not only the largest natural gas producer in the world – overtaking Russia in 2011 – but is planning to start exporting gas in the form of liquefied natural gas (LNG) around 2016.[5] North America (the U.S. and Canada taken together) could technically become energy independent by 2020[6]. Gas (Henry Hub) prices are around 4 dollars per mmBTU, down from 13 in 2005. Gas and electricity prices for the industry have decreased by 66% and 4% respectively since 2005[7], and only increased 6% and 8% for households.

The picture in Europe is less rosy. Natural gas usage is forecast to be flat by the end of the decade in the European Union, but it will likely pick up again in the next decade, as coal and in some cases nuclear are phased out from the energy mix and gas – as an ideal back-up generation fuel – is used to steady the uneven performance of renewables[8]. As conventional reserves deplete, Europe's dependence on gas imports is expected to grow further even in the case of a significant – and at present distant – uptick in unconventional gas production. Europe is already 60% plus dependent on gas im-

ports and 80% plus on oil. These numbers could go up as high as 85% and 90% by 2035.[9]

Even as the EU as a whole succeeded in supply source diversification and progressed in market integration, gas and electricity prices for European industry and households have all increased starkly since 2005 (by 35%, 45%, 28%, and 22% respectively). As far as the absolute numbers go, wholesale gas prices are around three times the level of the Henry Hub price and could go up to five times as much in the CSEE region for those countries without access to alternative supplies. That divergence between the U.S. and Europe is increasingly a headache for European leaders and especially for Central and Southeast European countries as an issue of economic competitiveness, social stability and national security.

Gas Markets in Central and Eastern Europe

Gas markets show a rather mixed picture in Central and Southeast Europe. In some countries, gas plays a negligible (like Albania, Montenegro, Macedonia) or smaller (Poland, Serbia) role in the overall energy mix. In others, such as Hungary or Slovakia gas usage constitutes a large chunk (above 30%) of the mix. Demand may have already peaked in the latter countries, but import needs will increase as domestic conventional production winds down in the coming years. Demand increase in the former countries is in their strategic interest, to comply with climate change objectives and reduce coal consumption in the energy sector. But gasification of these economies ends up being a chicken-and-egg problem: without access to reasonably priced gas, progress has been elusive, but building the necessary infrastructure to bring additional supplies has been postponed until there is a market demand.

Supply source diversification therefore is a pressing need for the region. That is particularly true for those CSEE countries and companies that will see long-term contracts expire with Gazprom[10] in the near future or those that may want to renegotiate their existing oil-indexed contracts just as the Western European companies have done recently.[11] The map below shows the gas price differentials for pipeline gas provided by Gazprom in Western and Central and Southeast Europe.

The map also serves as a proof that the dual strategy of market integration and supply diversification to lessen the region's vulnerability is beginning to yield results. Countries better integrated into the European gas market,

[3] In this paper, the CSEE region refers to the Visegrad Four (Czech Republic, Hungary, Slovakia, Poland), Lithuania, Ukraine, Romania, Bulgaria and the Western Balkans (Croatia, Serbia, Bosnia Herzegovina, Macedonia, Montenegro and Albania).

[4] Remarks by Tom Donilon, National Security Advisor to the President At the Launch of Columbia University's Center on Global Energy Policy, April 24, 2013, http://www.whitehouse.gov/the-press-office/2013/04/24/remarks-tom-donilon-national-security-advisor-president-launch-columbia-.

[5] U.S. Energy Information Administration data.

[6] Energy 2020: North America, the New Middle East? – report by Citi GPS, Edward Morse, http://csis.org/files/attachments/120411_gsf_MORSE_ENERGY_2020_North_America_the_New_Middle_East.pdf.

[7] IEA data.

[8] IEA forecast, World Energy Outlook 2012.

[9] Energy Priorities for Europe, Presentation of J.M.Barroso, President of the European Commission to the European Council of 22 May, 2013, http://ec.europa.eu/europe2020/pdf/energy3_en.pdf, page 4. International Energy Agency data.

[10] Hungary, Lithuania, Estonia and Bosnia Herzegovina in 2015, Czech Republic in 2017 (small portion), Ukraine in 2019.

[11] Such as Eni, GDF, Eon, RWE and others.

such as Hungary, witnessed their wholesale gas prices decrease as the wholesaler, German company Eon renegotiated prices on all its contracts with Russia's Gazprom. Others that are isolated, such as Bulgaria or Macedonia continue to pay exorbitantly high prices lacking alternative options.
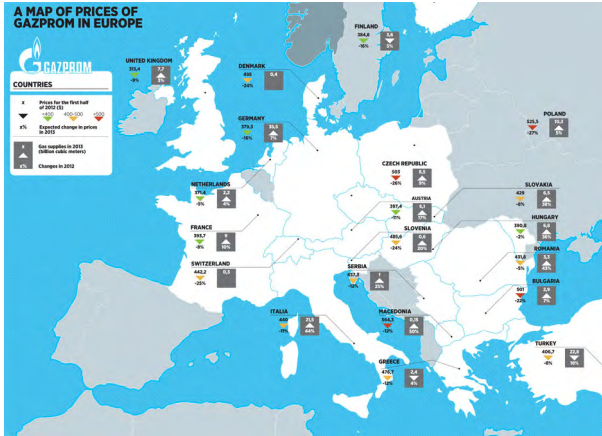
Source: Izvestia, 2012 (a full size map is attached to this paper).

The four main sources of diversification in order of time horizon:

1. Increased shipments of diversely sourced pipeline gas through Western Europe via new interconnectors and reverse flows (by 2014/15).
2. Direct shipments of LNG to CSEE: utilizing the Revithoussa terminal in Greece (ready), the Swinoujscie LNG terminal in Poland (under construction, ready by 2015) and the planned LNG terminal at Krk, Croatia (planned, possibly ready by 2018).
3. Pipeline gas from the Caspian and perhaps beyond (Iraq and Eastern Mediterranean) through the Southern Gas Corridor (mid-2020s for most CSEE countries).
4. The development of unconventional resources (unlikely before the early 2020s).

Gas Market Integration

Developing natural gas interconnections within the region and with Western Europe is the immediate task that will ensure that the benefits of market liquidity and hub-based pricing make their way to Central Europe. That has been off to a good start in the past four years: with European assistance, a series of interconnectors have been constructed, forming the backbone of a North-South Gas Corridor linking all of Central Europe's gas systems from Poland to Croatia and enabling the Central and Southeastern European markets to link up with the rest of the EU. The concept is not new: it has been around since the inception of the New European Transmission System (NETS) concept in the mid-2000s to create economies of scale by forming a liquid regional market and got a boost after the 2009 crisis with the help of EU funds.

But there are several key pieces still missing, such as the interconnectors between Poland and Slovakia, Slovakia and Hungary, Croatia and Hungary, Bulgaria and Greece, Bulgaria and Romania, Romania and Moldova; reverse flows between Ukraine and Slovakia as well as Hungary and Croatia. Linkages between the Western Balkans countries are mostly missing or insufficient. Capacities from Western Europe are often congested too, such as the HAG pipeline connecting Hungary to Austria. Any new gas supplies from outside the region ought to reach a better-integrated market by the end of the decade. To make that happen, the primary responsibility lies with the regional governments, accompanied by EU guidance and financial assistance.

New Sources of LNG Supply

Direct natural gas shipments to the region are equally important, whether by LNG or via pipeline. The North-South Corridor's northern end, the Swinoujscie LNG terminal, is already under construction. With an initial capacity of 5 bcm, it will be a major source of new supplies primarily for gas-hungry Poland. Revithoussa, the Greek terminal owned by Greek pipeline operator DESFA (66% of which is being privatized to Azeri SOCAR) has another 5.1 bcm capacity gas, from which gas can be fed into a Greece-Bulgaria interconnector even earlier than Caspian gas.

The concept of the Croatian LNG terminal has been around for almost a decade. Mercifully, after years of paralysis because of both domestic Croatian political bickering and external (mainly Russian) meddling, the LNG project's prospects have improved lately. Croatia is indicating to prospective investors and to Brussels and Washington that it is fully committed to Krk LNG as a top priority and a matter of urgency. The Croatian LNG terminal now requires all the support it can get from regional governments, from the European Union and the United States. The Croatian government, together with the commercial consortia that will develop both projects, should ask the European Union to designate the LNG terminal as Project of Common Interest (PCI), thereby securing co-financing from the EU's Connecting Europe Facility – similar to the funding Swinoujscie received.

Securing lower cost supplies of LNG is an equally vital goal. One of the world's prospective future suppliers of LNG is the United States. Market forces are driving U.S. companies to seek opportunities to export LNG to higher priced markets in Europe and Asia. But federal regulations and legislation currently restrict U.S. LNG exports in a bid to boost American industries (especially petrochemicals) by locking in cheap natural gas. U.S. LNG could provide that crucial supply that will help ensure the success of Europe's emerging North-South Corridor. The Visegrad-Plus group and the EU should encourage the adoption of the LNG for NATO bill proposed by then-Senator Lugar in 2012, which is now being pressed forward by Senator Barrasso and Representative Turner.

This would allow expedited licensing for LNG exports to NATO allies, (placing such countries on an equal footing with other countries with which the U.S. enjoys a free trade agreement)[12].

The Southern Gas Corridor

The selection of the Trans-Adriatic Pipeline has disappointed many who rooted for Nabucco as the main pipeline to bring gas to the CSEE region.[13] Nabucco West as a project is now dead, save for significant quantities of gas coming online from the Black Sea or Romanian shale, both distant possibilities. But Caspian gas may eventually make its way to CSEE. The Southern Gas Corridor's initial 10 bcm capacity is likely only the beginning. By the middle of the next decade, additional supplies will likely be more than enough to provide up to 30-35 bcm of gas from Azerbaijan alone, which in theory could fill both a larger TAP and other pipelines that carry gas towards Central Europe. The planned Greece-Bulgaria Interconnector could provide gas from TAP straight into Bulgaria.[14] By building a long stalled Bulgaria-Romania interconnector, gas could be moved onwards to Hungary through an already existing Hungarian-Romanian interconnector (after an ongoing upgrade to handle bidirectional flows). That was the original idea of SEEP, a BP-led project based not on a grand construct such as Nabucco, but linking up the existing networks. All the Western Balkan countries could eventually be hooked up via the prospective Ionian-Adriatic Pipeline (IAP) route.

The Trans-Anatolian Pipeline (TANAP) – or another dedicated pipeline – crossing Turkey could over time also bring additional resources from the Eastern Mediterranean (Israel, Cyprus), from Northern Iraq, and possibly – though less likely in the medium-term – from Turkmenistan offshore. To ease feeding these additional resources into TANAP will require Third Party Access rules to apply to the pipeline. That is currently not the case as Turkey is not a member of the Energy Community that extends EU rules and regulation to third countries.[15] Unlocking the blocked energy chapter in the EU accession negotiations with Turkey would facilitate Turkey's membership in the Community: a critical piece in keeping the Southern Gas Corridor open and grow it to become the fourth major gas transport corridor to Europe.

Unconventional Revolution in Europe?

The unconventional revolution in the U.S. prompted some countries in the CSEE region to look into their own unconventional resources. Poland, Lithuania, Romania, Hungary, Ukraine are all actively looking into what they might have underground (Bulgaria placed a moratorium on hydraulic fracturing). The jury is out on the unconventional gas potential in the region, as there are many uncertainties both under- and above ground. The initial hopes pinned on Poland are still to be proven right, as both the geology and the regulatory framework have proven rather challenging. Ukraine has promising potential, but the road to major unconventional gas production will be a bumpy one due to the many political, regulatory and technical challenges the country faces. In countries like Hungary, unconventional production could offset the decline in conventional resources. Overall, unconventional gas developments will certainly not be a panacea to the region's gas sector vulnerabilities in the immediate future, but the jury is out whether it will provide significant quantities in the medium- and long-term (mid-2020s and beyond).

Conclusions

A concerted U.S., EU and regional effort is needed to implement the diversification strategy outlined above. At the same time a rebalancing has taken place in terms of how the U.S. and the EU approach CSEE energy security.

While there has been a continuous agreement on the strategic goal of supply diversification, since 2006 and especially 2009 the EU has grown to play a more robust role while the U.S. assumed a supportive position more in the background. The U.S. Administration's vocal criticism of Russia's role and monopolistic practices in the CSEE region and forceful push for the realization of the Nabucco pipeline has gradually become more muted. The self-sufficiency on U.S. domestic gas supplies and the perception that the implementation of the Southern Gas Corridor, the most visible piece of the regional energy diversification puzzle, is finally under way reinforced the conviction that the EU should primarily be in charge for its own energy security.

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[12] Note that as of September 2013 the pace at which the U.S. Department of Energy authorizes non-FTA exports has accelerated significantly. To date, four planned LNG export terminals (Sabine Pass, Freeport, Lake Charles, Cove Point) were licenced to supply non-FTA countries. That is a potential of 424 bcma, 67 of which can go to non-FTA countries (actual exports will certainly be less). There are 20 others waiting for approval.

[13] For a detailed analysis on why TAP has eventually won, see: *A Tale of Two Pipelines: Why TAP has won the day*, By Matthew Bryza and David Koranyi, Natural Gas Europe, July 2, 2013, http://www.naturalgaseurope.com/southern-corridor-strategic-importance-tap-nabucco.

[14] The Gas Sales Agreements (GSAs) between the Shah Deniz consortium and European buyers announced on September 19, 2013 revealed that 1 bcm was already purchased by Bulgargaz EAD, assuming that the interconnector will be in place by 2018/19.

[15] Members outside the EU as of September 17, 2013: Ukraine, Moldova, Macedonia, Montenegro, Serbia, Kosovo, Bosnia Herzegovina, Albania.

Many have attributed the U.S. shift to the reset attempt with Russia, as well as the lack of strategic focus on the region due to the turmoil in the Middle East and other international crises, increased attention on Asia and a growing isolationist streak in U.S. foreign policy. But in reality, the transatlantic concert worked well. The growing EU activism complemented a more subtle U.S. energy diplomacy, with good results. The 2006 and especially the 2009 Russian-Ukrainian gas crises served as a wake-up call for both Brussels and the region. From 2009 onwards the EU and its member states began to finally address the strategic vulnerabilities of the EU's internal gas market in general and the CSEE gas market in particular by adopting and implementing the ambitious agenda for the completion of a competitive and liquid internal gas market within the EU by 2015, by starting to build key infrastructure pieces as noted above and cracking down on gas suppliers in monopoly position (notably the antitrust proceedings against Gazprom among others). The non-EU states in Southeast Europe also benefit from that effort.

Nevertheless, the U.S. remains a crucial player in facilitating the implementation of the Corridor, as well as in other key pieces of gas developments, such as the Eastern Med or Iraq. Increased technical and regulatory assistance in developing unconventional resources would also go a long way. Finally, the U.S. could and should play a more direct role in supply diversification in CSEE in the form of LNG as noted above.

While supply source diversification and access to hub pricing will be beneficial in any case, the choice of a right mix of long-term, calculable contracts and spot markets is a delicate one. Spot markets are volatile and there are numerous uncertainties both on the supply and demand side in the medium and long run. In that context CSEE countries might be enticed to recommit to long-term, oil-indexed gas supply agreements with Gazprom to the extent of their full import needs for short term political gain (temporary gas price concessions), precluding the benefits of access to alternative sources down the road.

Indeed an assertive Gazprom is fighting back, trying to retain its market share increasingly under siege in Europe. The South Stream pipeline makes little commercial sense, but in all likelihood Gazprom will build it to marginalize Ukraine as a transit state.[16] Though the automatic lock-in effect of South Stream should not be overestimated as TPA rules would apply to its European sections, South Stream could strengthen the siren call to rely on Russia alone. Therefore, it is all the more important that the U.S. signals its readiness to keep complementing EU efforts for supply diversification.

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[16] András Deák: Jön! Jön! Jön! – a Déli Áramlat (in Hungarian), http://www.grotius.hu/doc/pub/VELGUJ/2012_86_deak_andras_g yorgy_a_deli_aramlatl.pdf.

A MAP OF PRICES OF GAZPROM IN EUROPE
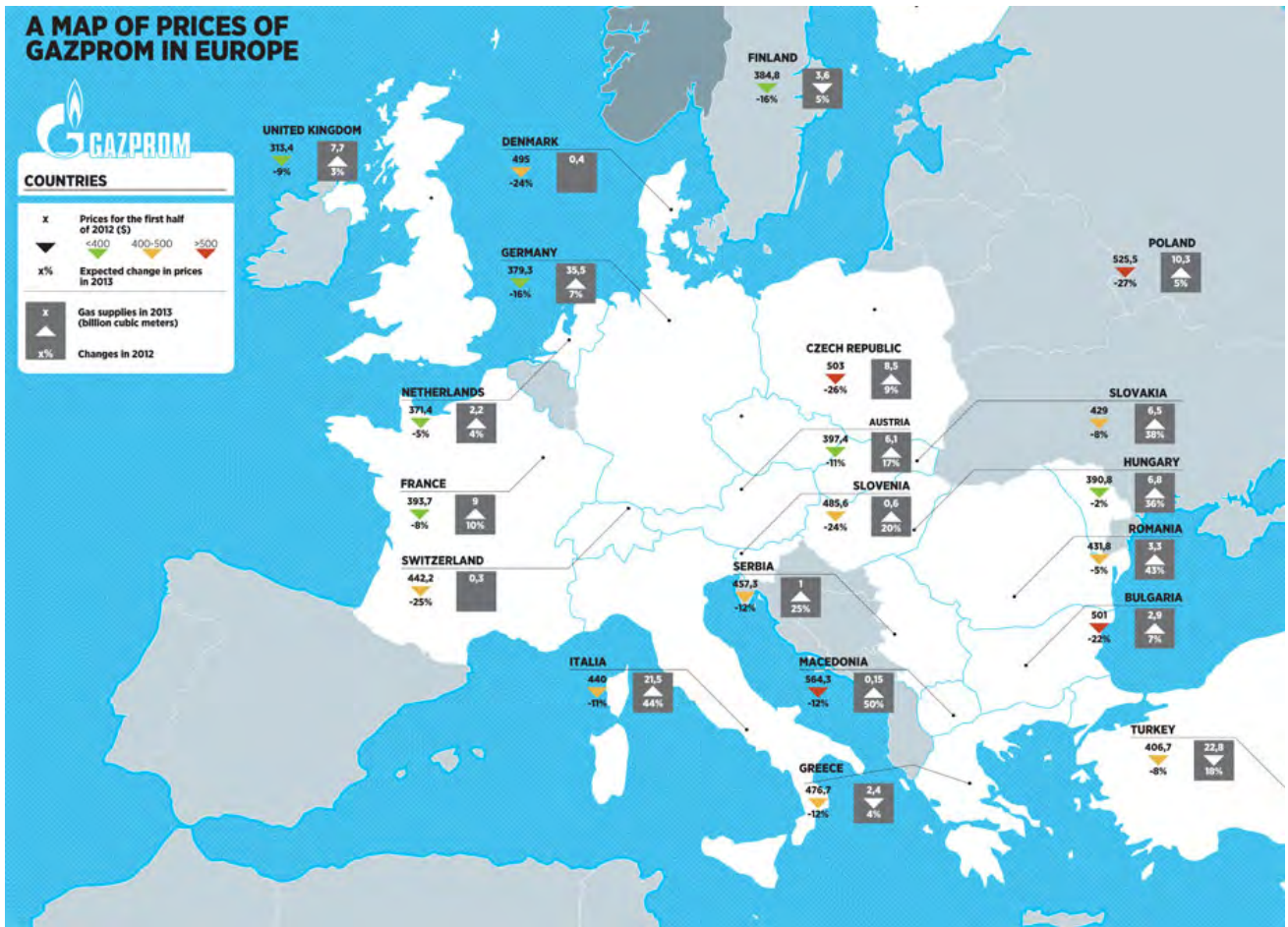
Source: Izvestia, 2012.
This map is being used for a lack of alternative maps and is without prejudice to the status of Kosovo, which declared independence from Serbia on February 17, 2008.

THE ROLE OF TURKEY IN WESTERN BALKAN ENERGY SECURITY

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Turkish energy security policy in the Western Balkans should be seen as part of a multifaceted global energy game that the country is playing for access, control and influence over the oil and gas transfer business. In order to understand this game, one should first take a look at Turkey's overall energy strategy and the factors affecting it.

Energy security is both a mirror and an extension of Turkey's existing foreign policy. It is no surprise that the primary driver of the Turkish energy strategy, as stated by the Turkish Ministry of Foreign Affairs, is "realizing Turkey's own energy security"[1]. To this end, the strategy specifies four objectives: (1) diversifying Turkey's energy supply routes and source countries; (2) increasing the share of renewables and including nuclear energy in its energy mix; (3) taking significant steps to increase energy efficiency; (4) contributing to Europe's energy security.[2] The five-year plan of the Ministry of Energy indicates that Turkey is assertive in terms of establishing itself as a central player on the world energy map, considering itself a key transit country. It intends to diversify its supply sources and gain a prominent role in the transfer of "rich hydrocarbon resources to the growing markets and especially the EU market".[3] Both documents speak of the importance of contributing to the EU's efforts and cooperating with the Union's mechanisms for energy security, which is a sign of Turkish attempts to comply with European energy security objectives, at least on the issue of diversifying resources.[4]

As a country with limited material resources, Turkey needs to import ever-increasing amounts of energy to meet its industrial demand, which has been growing at 6-8% per year. One viable way of tackling this problem is to make use of the country's geostrategic position in that Turkey is located next to a region that holds 71.8% of the world's known gas reserves.[5] Turkey wants to turn this into an asset by becoming an important part of the energy supply network between this region and Europe, which will strengthen Turkey's position by becoming an energy transit country, or 'energy hub, and

1. Ministry of Foreign Affairs of the Republic of Turkey, http://www.mfa.gov.tr/default.en.mfa.
2. Turkey's Energy Strategy, Turkish Ministry of Foreign Affairs, http://www.mfa.gov.tr/turkeys-energy-strategy.en.mfa.
3. The Republic of Turkey Ministry of Energy and Natural Resources Strategic Plan (2010-2014), http://www.enerji.gov.tr/yayinlar_raporlar_EN/ETKB_2010_2014_Stratejik_Plani_EN.pdf.
4. Emil Souleimanov and Josef Kraus, 'Turkey: An Important East West Energy Hub', Middle East Policy, Volume 19, issue 2, pp.157-168.
5. John Roberts, The Turkish Gate: Energy Transit and Security Issues, Turkish Policy Quarterly, vol.3 no.4.

make it an important player in the energy game that is being played on the world stage'.[6]

Turkey's ruling elite hope that in this way, Turkey can both increase its geostrategic importance and meet its own energy demands. To achieve such policy objectives Turkey needs to reintegrate with its neighbors: Europe, the Middle East, and, most importantly, Russia. In this respect, integration and cooperation are key to the new Turkish foreign policy carried out under the principle of 'zero problems with neighbors' introduced by the Turkish Foreign Minister Ahmet Davutoğlu as one of his six core principles. The other five are a balance between security and freedom, a multidimensional foreign policy, a pro-active regional foreign policy, an altogether new diplomatic style and rhythmic diplomacy.[7] However, implementing such a multifaceted policy, in which Turkey seeks to cooperate with all actors, especially in the economic and commercial areas, is not an easy task. It requires critical decisions of opting in favor of one actor to the detriment of another, as in the case of Turkey's consent to allow both the EU's and Russia's rival pipeline projects to pass through its territories with the hope of boosting its position as an energy hub for the West.

Western Balkan Energy Security

Increasing energy efficiency and energy access, and developing renewable energy sources are three important ways for countries to improve the living standards of their citizens. This is certainly true for the Western Balkan countries, which have an energy intensity that is two-and-a-half times higher than OECD countries in Europe.[8] About 15% of Western Balkan households suffer from fuel poverty.[9] Looking at the overall energy picture in the Western Balkans, the level of natural gas consumption is low, with the region being dependent on oil and coal (mostly imported) for electricity production.[10] Gas is supplied to the region almost exclusively by Russia via a Soviet-era pipeline through Hungary. On July 1, 2006, the Western Balkan countries and EU member states established the EU Energy Community and committed themselves to develop a common regulatory framework for energy markets. Today, the region's energy policies are guided by the EU, although

its energy markets are not even close to EU standards, being too small, fragmented, vulnerable and outdated to attract international investors.[11]

The global energy transformation process, which is still in the making, coincides with the westward marketing of Azeri energy sources. As a result, the Western Balkan countries are confronted with the simultaneous tasks of transforming its economic outlook and its energy infrastructure. In this process, the multiple interests of numerous actors, both local and international, struggle. This situation is further complicated by the EU's attempts to incorporate regional states into its own overall network. This can be seen as a unique opportunity for the Western Balkans to transform interregional relationships into win-win cooperation and interdependence through the gas pipelines interconnecting them.

If EU-backed projects are realized they will certainly bring a competitive energy market to the region. However, it is not clear to what extent the Trans-Adriatic Pipeline (TAP) will help Europe or the Western Balkans to diversify its resources. For this reason, the rules of the game that apply to the western part of the EU should also apply to its southeastern periphery. In other words, there is an ambiguity in the EU's energy security approach regarding natural gas imports from Russia. The 'North Stream pipeline' in the Northern and Western part of the EU, and the Southern Corridor pipeline projects in the south are demonstrating two opposing energy security strategies. These are (1) achieving energy independence from Russia; and (2) the security of transportation, and the sustainability of gas flow in changing demand situations. These two objectives are contradictory to each other and not possible to achieve simultaneously.[12]

This is the result of the multiplicity of policies, which derive from the complexity of the concept of energy security. Dealing with the problem of dependence on a single source is only one aspect of it and the implementation of policies in the practical realm is not always possible. For this reason, the EU should definitely aim to break the Russian gas monopoly in the Western Balkans and to diversify the natural gas supply options for the region. However, this is only possible with feasible alternatives. Therefore circumventing Russia without offering feasible alternatives is not the best strategy for the Balkans. The region needs a competitive energy market, but what is more important at the moment is to secure supply. The EU should therefore concentrate less on insisting what is best for improving European energy

6   Oli Rehn, Turkey as an energy hub for Europe: prospects and challenges, European Policy Centre, Brussels, 4 March 2009, http://europa.eu/rapid/press-release_SPEECH-09-89_en.htm

7   Ahmed Davutoğlu, Zero Problems in a New Era, Foreign Policy, 21 March 2013, http://www.foreignpolicy.com/articles/2013/03/21/zero_problems_in_a_new_era_turkey.

8   High energy intensities indicate a high price or cost of converting energy into GDP.

9   A household is said to be in fuel poverty when its members cannot afford to keep adequately warm at reasonable cost, given their income.

10 Re-linking the Western Balkans – the energy dimension, CSIS-EKEM Policy Report, http://ekemprogram.org/awg/images/stories/staff/energy.pdf.

11 Energy Community hopes to boost regional markets, http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/articles/2013/01/28/reportage-01.

12 Stefanova, Boyka M.. 2012. European Strategies for Energy Security in the Natural Gas Market. Journal of Strategic Security, vol.5 no.3, pp. 51-68.

security on a general level. Clearly, the Western Balkans is in need of a better energy mix and a more secure supply source.[13] For the time being, the South Stream, compared to the Southern Corridor projects is a more reliable project in terms of security of transportation and the sustainability of gas flow. Not only the Western Balkan energy security, but also Turkish reservations to sign the Energy Community Treaty can also be explained by the primacy of national energy considerations.

Turkey and the Western Balkan Energy Security

The Western Balkans is an important priority of Turkish foreign policy. In the last decade, Turkey has deepened its soft power capacity within the region, becoming an important economic stakeholder and a very important contributor to the region's security.[14] On the other hand, Turkey's energy strategy in the Western Balkans is complex and multi-factorial, with Western Balkan energy security forming only a small part of a larger energy puzzle regarding the supply of energy-starved Europe from the east. The real concern for the Western Balkans, like the rest of Europe, is basically how and from where it can get the energy it needs to support its vibrant economic growth.[15] One of the first projects to bring gas to the Western Balkans was originally promoted by Turkey's BOTAŞ and Greece's DEPA in 2003. Unfortunately, however, this scheme was later abandoned due to Greek and Turkish participation in the Nabucco and ITGI (Interconnector Turkey-Greece-Italy) projects.[16]

Energy transport is not only an issue of supply and demand because, if it was, there would not be any gas pipeline project for the Western Balkans. Instead, this issue is very much determined by geopolitical concerns, with the routes of pipelines being part of an international competition for power, influence and economic advantage.[17] One can argue that by supporting multiple pipeline projects passing through its territories, Turkey is making an indirect, though still important contribution, to Western Balkan energy security, because, as a result of increasing competition, all the projects would be to the benefit of the region. In December 2011, Tur-

key granted permission for the construction of the South Stream gas pipeline via its exclusive economic zone, and in June 2012, Turkey and Azerbaijan signed an intergovernmental agreement to construct a pipeline to carry gas from Azerbaijan via Turkey to Europe.[18] This has allowed Turkey to keep a foot in both camps by allowing both rival projects to pass through its territory.

In July 2013, the Shah Deniz Consortium made a long expected but important decision when it declared that it preferred the TAP over Nabucco for the transport of Caspian-sourced gas to Europe. This decision marked the end of Nabucco. It can therefore be argued that Turkey's decision to open its exclusive economic zone to South Stream, while not the direct cause, nevertheless played an important role in ending the Nabucco project. By giving permission to South Stream, Turkey also smoothed the way for Russia to consolidate its dominant position in the Western Balkan energy market.[19] On the other hand, many have argued that the termination of the Nabucco project is a positive development for the region, since Nabucco was not a particularly important or beneficial project for the Western Balkans, mainly because it did not pass directly through the region. Rather, the Nabucco project had aimed to transfer gas from the Caspian to Baumgarten in Austria, and from there to third markets in Western Europe. Plans to link Nabucco with the Western Balkans were never given much priority. In fact, buying gas from Baumgarten would have been much more expensive than a direct pipeline connection to the region before the gas reaches its final destination. Consequently, the TAP/IAP and the Western Balkan Energy Ring projects to carry gas directly to the energy starved Western Balkans seems better able to support the region's strategic interest. Assuming that these projects can be properly financed and viable, they will be much more advantageous than Nabucco.

One can argue that, if the South Stream project had not been initiated, the energy community would not have paid attention to a pipeline project like the Western Balkan Energy Ring, carrying gas to unprofitable energy markets in the Western Balkans. Indeed, until South Stream, the Shah Deniz Consortium had only made vague statements about developing infrastructure projects to link TAP to the Western Balkans via IAP or the now abandoned Nabucco with Croatia and Serbia.[20] Af-

[13]Getting Natural Gas to the Balkans, Hürriyet Daily News, http://www.hurriyetdailynews.com/default.aspx?pageid=438&n=getting-natural-gas-to-the-balkans-2010-11-05.

[14] Adam Balcer, Turkey and the Western Balkans: Between Soft Security and the Ottoman Legacy, Atlantic Council, Center for European Strategy, January 2013, http://www.acus.org/files/Balcer.pdf.

[15] Borut Grgic, The Balkans and Energy Supply, Natural Gas Europe, http://www.naturalgaseurope.com/the-balkans-and-energy-suppy.

[16] Re-linking the Western Balkans – the energy dimension, CSIS-EKEM Policy Report, http://ekemprogram.org/awg/images/stories/staff/energy.pdf.

[17] Bezen Balamir Coşkun, New Energy Geopolitics: Why Does Turkey Matter? Insight Turkey, Vol. 12, No.3, 2010, pp.205-220.

[18] Gazprom Export, http://www.gazpromexport.com/en/presscenter/news/436/.

[19] Şaban Kardaş, Turkey-Russia Energy Relations, The limits of forging cooperation through economic interdependence, International Journal, Winter 2011-2012, pp. 81-100.

[20] Kostas Ifantis & Dr. TheodorosTsakiris, The Security of Gas Supply as a Catalyst for Regional Integration in the Western Balkans and South Eastern Europe, Ekem, European Energy Policy Observatory, http://www.ekemeuroenergy.org/en/index.php?option=com_content&view=article&id=65:the-security-of-gas-supply-as-a-catalyst-for-regional-integration-in-the-western-balkans-and-sou

ter competition became really intense, TAP launched various initiatives focused on carrying Caspian gas to the Western Balkans. However, it was Turkey's involvement in South Stream that, by giving the project real impetus, forced the southern corridor pipeline consortia to see the Western Balkan Energy Ring as an integrated part of TAP.[21]

Another important strategic issue is that the southern corridor can reduce the dependency of importing countries on Russian gas. Because TAP primarily aims to export gas to Italy, the Western Balkans is not a primary target. For TAP, the Western Balkan energy market is a mere side-show, as in the region is just the border point of the main gas supply routes of the southern corridor projects. Western Balkan countries have small populations and low demand, so they are not profitable markets for investors. In addition, predictions for the region up to 2035 suggest there will only be very slow growth in the region's energy demand. However, despite these negative indicators, there is hope that demand for gas will increase in the coming years, partly as coal resources are exhausted, and partly due to high oil prices. In addition, many households in the Western Balkans are trying to catch up with western levels of consumption.[22] Several countries in the Western Balkans have already started to convert to natural gas. For example, all public institutions and schools in Kumanovo and Strumicanow (Macedonia) use natural gas, while Serbia started an action plan to gradually convert the whole country to natural gas by 2030.[23] Many Western Balkan countries are also building gas pipelines and regional interconnectors.

It is unclear how much gas the Shah Deniz Consortium could supply to the Western Balkans. It currently provides 10bcm of gas to Europe, which is 2% of the total European demand, while Russia has supplied 15 times that amount in 2013. In addition, the Southern Corridor projects have not yet obtained any supply guarantee from Central Asian states. The success of the EU backed projects to a great extent depends on the political will of the partners, matching the business interests of the main economic agents, and developing the relevant legal environment. However, there are currently too many alternative pipeline projects, making it very difficult to create stable political consortiums of countries willing to reject all other options and dedicate themselves to one common project. In such a compli-

cated political environment, reaching a balance of interests is crucial for Western Balkan energy security. This is what Turkey is trying to do through its energy policy.

What is even more important is the price of the gas carried through the planned pipelines. Regardless of its supplier, gas reaching the Western Balkans has to be at a reasonable price that is not kept artificially high to increase the suppliers' profit margins. As mentioned, Western Balkan energy intensity is two-and-a-half times higher than in OECD countries in Europe (partly due to a low GDP). In this respect, the transit deal signed between Azerbaijan and Turkey in 2010, which sets the transit price for Azerbaijani gas passing through Turkey, is an opportunity for the Western Balkans as it promises to set a ceiling price for the natural gas market.[24]

Russian Gazprom has been more active than the Shah Deniz Consortium in making bilateral gas deals with the countries in the region. While very few projects have been approved in the Western Balkans under the Southern Corridor projects of TAP/IAP and the Western Balkan Energy Link, Russia has already started initiatives to extend the South Stream pipeline into the region. Gazprom and Srbijagas have constructed the world's largest gas storage facility at Banatski Dvor/Serbia, while Macedonia signed a bilateral agreement with Russia in June 2013, allowing the construction of a South Stream gas line offshoot to deliver gas to Macedonia.[25] In the same month, Serbia and Gazprom also signed a roadmap to implement energy projects in Republika Srpska within the South Stream project. The political implications of these developments for the future of energy in the region might be that Russia will continue to re-assert its former influence in the region until the Inter Adriatic Pipeline becomes a real competitor.[26]

What Else Can Turkey Do?

The Western Balkans is a major strategic interest zone for Turkish investors, particularly for energy investments, such as electricity and natural gas. The energy sector, with its diverse energy portfolio, offers great potential for investment in production and energy transfer. Thanks to the EU integration process, the regulations covering investment in the region, in both member and non-member Western Balkan states have become more transparent and easier in recent years.[27]

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[23] Miki Trajkovski,Regional Countries Strive for Gasification, SETIMES, http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2013/03/30/feature-02.

[24] Borut Grgic, The Balkans and Energy Supply, Natural Gas Europe, http://www.naturalgaseurope.com/the-balkans-and-energy-suppy.

[25] Russia and Macedonia sign South Stream offshoot deal, B92, http://www.b92.net/eng/news/region.php?yyyy=2013&mm=07&dd=24&nav_id=87050.

[26] Didem Ekinci, Accomodating Energy Security in the Balkans, paper presented at the International Balkan Congress of the Kocaeli University, April 2011.

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Turkish investors and the Turkish state itself should set themselves achievable objectives in the overall energy transfer business. The construction of gas transport infrastructure is one of those fields in which Turkish businesses have considerable knowledge. Given that Western Balkan states will become EU member states in the near future, if Turkish companies successfully bid for the construction of the region's natural gas transfer infrastructure, Turkey will gain influence in the gas sector of future EU member states, thereby becoming part of the EU's overall energy business. Therefore, rather than struggling to earn a merely symbolic share in TAP, Turkey should focus on IAP and the Western Balkan Energy Ring, which plans to deliver gas from TAP to northern Albania, Montenegro, Bosnia and Herzegovina, and Croatia. Turkey's state owned energy company BOTAŞ has almost 40 years of experience in the field, so BOTAŞ and the Azerbaijan state oil company SOCAR, the two project partners in the Trans-Anatolian Gas Pipeline Project (TANAP), could bring their partnership to the region.[28] In this way, BOTAŞ will also become a global player.

Turkey's new foreign policy activism in the Western Balkans in the last decade has also paved the way for an active role in the Western Balkan energy market. Turkey is a strong player in the region because the Turkish state and businesses are already active there. Another obvious advantage is that Turkey has a unique position in its relations with Western Balkan countries because of strong cultural ties. Western Balkan countries could also benefit from having a partner like Turkey that has strong ties with both the EU and Russia. Whether led by Russia or the EU, the Western Balkans will have the major share of their energy imports transferred via pipelines passing through Turkey thanks to Turkey's equal standing with all gas suppliers. Turkey's involvement is also helping Western Balkan countries to develop a strategic vision for their energy future, with several countries in the region having already expressed an interest in developing new and stable supplies of natural gas. For example, under-supplied countries like Kosovo, Albania and Montenegro are entirely reliant on oil and coal as their primary energy sources. Therefore, for these countries, the natural gas projects in which Turkey has a key role will be vitally important for securing their post-independence economic sustainability.

In an initiative to foster Turkish investment in the Western Balkans, Turkey's Ministry of Energy and Natural Resources has formed so-called 'energy teams'. These teams include both public and private sector representatives of the Turkish energy sector and make visits to regions where there is potential for investment. The teams reveal cooperation possibilities between Turkey and the Western Balkans so that concrete steps can be taken towards investment. For example, an energy team visited Bosnia and Herzegovina in December 2012 to discuss the potential for investment in the country's water resources and renewable energy, while the Serbian and Turkish Energy Ministers agreed to cooperate on the energy sector at the meeting of the Serbian-Turkish intergovernmental committee for economic cooperation in March 2013. The Serbian side invited Turkish companies to invest in Serbia and the Turkish minister promised to encourage private companies to explore investment possibilities in Serbia.[29]

Cooperation is a key to a better future in the Western Balkan region. In particular, the uninterrupted and trouble-free flow of gas undoubtedly depends on regional cooperation between the region's states. The Turkish state has taken advantage of the current power vacuum, caused by a decline in both U.S. and EU influence in the region, to successfully fill the gap and, more importantly, contribute to cooperation between conflicting parties. For example, it has developed trilateral consultation mechanisms between Turkey and Bosnia, Serbia and Turkey, and Bosnia and Croatia. The Ankara Summit Declaration, adopted at the end of the third meeting of the Trilateral Balkan Summit held in Ankara on May 2013 included cooperation in the energy field as one of the many issues addressed. The declaration emphasized"[t]he significant role of the trilateral consultation process" on the issues of "energy, infrastructure, transportation" as a "functioning institutional framework of regional cooperation".[30]

Conclusion

In short, it is important to see that it is not EU membership itself but energy interdependence that can bring the Western Balkans together. Achieving consensus on the rules of the energy game could bring lasting peace and stability to the region. Turkey prefers cooperation and reintegration to a zero sum game in its energy security architecture. Likewise, the energy policies of the two most important actors in the Western Balkans, Russia and the EU, can also be compatible if they also reject a zero sum game. This would allow the Western Balkans to achieve regional reconciliation, cooperation and collaboration through energy interdependence, which is key to designing a successful Western Balkan energy security architecture.

[28] Azerbaijan's SOCAR buys Greek gas operator DESFA, Euractiv, http://www.euractiv.com/energy/azerbaijan-socar-buys-greek-gas-news-528689.

[29] Serbia and Turkey team up for energy sector, Ansa, http://www.ansa.it/ansamed/en/news/sections/economics/2013/03/15/Serbia-Turkey-team-up-energy-sector_8406660.html.

[30] Relations with the Balkans, Turkish Ministry of Foreign Affairs, http://www.mfa.gov.tr/relations-with-the-balkan-region.en.mfa.

The Aspen Institute | Germany

ASPEN WORKING GROUP SOUTHEAST EUROPE

November 26-27, 2013 | Berlin

In cooperation with:

Stabilitätspakt für Südosteuropa
Gefördert durch Deutschland
Stability Pact for South Eastern Europe
Sponsored by Germany

Auswärtiges Amt

Accommodation and conference venue: Savoy Hotel Berlin, Fasanenstraße 9, 10623 Berlin

Tuesday, November 26, 2013

Arrival of participants during the day

19:30   Drinks Reception and Welcome Dinner

Wednesday, November 27, 2013

09:00 – 10:00   **Session I:**
External Actors in the Western Balkans I - Euro-Atlantic Integration

Euro-Atlantic integration has been high on the agendas of the Western Balkan countries for more than ten years now. In fact, the prospect of NATO and especially EU integration has encouraged substantial reform processes in the region. Successes have been visible in particular in the EU membership of Croatia, the beginning of accession negotiations for Montenegro, the prospect of the opening of negotiations for Serbia, the official candidate status for Macedonia, and the prospect of membership for Albania, Bosnia and Herzegovina, and Kosovo. Moreover, Croatia and Albania are NATO members. However, reform processes have been slow and demanding at times and *inter alia* rule of law, economic development, corruption and organized crime remain challenges for the governments of the Western Balkan countries – in some countries more than others. At the same time, the EU is still in deep crisis, and enlargement fatigue in EU member states remains a further challenge. What can the Western Balkan countries' governments do to speed up the necessary reform processes? How can stagnation in the processes, and in particular in bilateral conflicts (Kosovo-Serbia; Macedonia-Greece), or internal conflicts (Bosnia and Herzegovina) be overcome – at least in a way that they do not hinder progress in EU integration? How can the EU further support local governments? What should Germany's role look like? What is the role of the U.S., Russia and Turkey?

10:00 – 10:45   **Session II:**
Regional Cooperation

The Western Balkans often fall back into a narrative of ethnic politics and reconciliation processes have not been concluded yet. Neighbors are often being securitized and a lack of trust between different nationalities or ethnic groups is a daily occurrence. At the same time, the EU considers good neighborly relations one of the prerequisites to EU membership and many challenges for the countries of the region are better solved regionally than individually, for example economic development, the fight against organized crime and corruption, and energy security. How can the divides between countries be overcome and increased regional cooperation be fostered? Should the EU do more to encourage cooperation? Is there a need for a new collaborative mindset not only in regional governments, but also in the populations? How can closer cooperation be developed?

10:45 – 11:15   Coffee break

11:15 – 12:00   **Session III:**
Fighting Organized Crime and Corruption

The fight against organized crime and corruption remain key challenges Western
Balkan countries are facing on their paths to EU membership. Not only do organized
crime and corruption have social and economic implications, it seriously affects the
countries' security. As organized crime is not a national problem, solutions can only
be regional. Moreover, corruption, in particular high-level corruption, further makes
fighting organized crime difficult. How can local governments fight organized crime
more effectively? What can individual politicians do? How can the EU, its member
states or other external actors in the region increase their support? What do local gov-
ernments expect from their partners?

12:00 – 12:45   **Session IV:**
Energy Security

Energy security certainly is one of the current and future key global issues that also
fundamentally affect the countries of the Western Balkans. Small markets, partially
old infrastructure and a high dependency on external supply make the countries of
the Western Balkans especially vulnerable to energy shortages or even energy cuts.
Countries are therefore in need of investments in their energy sectors. At the same
time, many countries of the region have potential for the development of renewable
energies. What should the individual countries do to attract needed investments? How
can they avoid dependency, in particular dependency on one actor? What do Western
Balkan countries expect from their Euro-Atlantic partners?

13:00 – 14:30   Lunch

14:30 – 15:15   **Session V:**
Summary and Preparation of Key Findings for Their Presentation

In order to make the results of Aspen's two-year project on a future security archi-
tecture for Southeast Europe available to a broader audience, they will be represented
at a public event in the evening. Therefore, a presenter and key points should be col-
lected in order to prepare for this presentation.

15:15 – 15:45	**Session VI:**
	Identifying Key Priorities for 2014

Aspen Germany would like to consider and include ideas and suggestion of all relevant decision makers to its future agenda. Therefore, Aspen seeks to collect all alumni proposals for future priority issues for Southeast Europe.

15:45	Coffee

18:45	Meeting for Public Presentation of Results
	Venue: China Club Berlin, Behrenstr. 72, 10117 Berlin

19:00 – 21:00	**Public Presentation of Results and Panel Discussion -**
	"EU Enlargement –
	Between Conditionality, Progress and Enlargement Fatigue?"

Moderator:	Rüdiger Lentz
Panelists:	Christoph Retzlaff
	Gerhard Schumann-Hitzler

18:45	Welcome Reception
19:10	Presentation of Project Results
19:30	Q & A about Presentation of Project Results
19:45	Panel Discussion
20:30	Q & A about Panel Discussion
21:00	Reception and Flying Buffet

Ahrendts, Katharina

Bopp, Jens

Brand, Michael

Mihatov, Petar

Pejović, Aleksandar Andrija

Petrov, Zoran

Reichel, Ernst

Retzlaff, Christoph

Samofalov, Konstantin

Selimi, Petrit

Tolksdorf, Helge

Trišić-Babić, Ana

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Lentz, Rüdiger
Executive Director

Esch, Valeska
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Kabus, Juliane
Program Assistant

Jackson, David
Rapporteur

PARTICIPANT BIOGRAPHIES

Katharina Ahrendts

Katharina Ahrendts is deputy head of the Western Balkans division at the German Federal Foreign Office in Berlin. Previously, she served as Political and Press Officer at the Germany's Permanent Mission to the United Nations in New York, as speech writer in the Cabinet of the German Foreign Minister, and in the European Security and Defence Division of the Foreign Office. She has studied at Passau and Freiburg University and at King's College, London, and holds a law degree.

Jens-Michael Bopp

Jens-Michael Bopp (Ass.iur., ll.m.) is desk officer for Kosovo and for regional issues of the Western Balkans at the German Federal Foreign Office. He studied in Heidelberg, Miami and Hamburg and specialized in public international law. On his previous post, he was political officer, head of the legal and consular section, of the cultural section and of public relations at the German embassy in Astana, Kazakhstan. Prior to joining the diplomatic service, he worked as junior research fellow at Max-Planck-Institute for comparative public law and international law, Heidelberg.

Michael Brand

Michael Brand was elected as a CDU member to the German Parliament (Bundestag) in 2005. 2009, he was elected Deputy Chairman of the Committee on Human Rights and Humanitarian Aid. He serves as a member in the Defense Committee, in the Subcommittee on Civilian Crisis Prevention, NATO Parliamentary Assembly, and as a Deputy Member in the Budget Committee. He is a member of the Southeast European Caucus and Deputy Chairman of the Parliamentarian Group Germany – Bosnia and Herzegovina. Before Mr Brand was elected to the Bundestag, he worked as Communications Director (Press Secretary) of Junge Union Deutschland (youth organization of CDU and CSU) in Berlin from 2000-2001. From 2001-2005 he worked as Press Secretary of the CDU group in the parliament (Landtag) of the federal state of Hessen. Prior to his political career, he worked as freelance journalist (national and international) from 1996-2000 and at the European Balkan Institute in Bonn. After his military service in the German Bundeswehr, Mr. Brand studied political science, history and law at the University of Bonn from 1995 and 2001, while studying one year at the University of Sarajevo (1997/1998).

Valeska Esch

Valeska Esch works as Senior Program Officer with the Aspen Institute Germany and is responsible for Aspen's Policy Program on Southeast Europe. Valeska joined Aspen in February 2009. She holds an MA in Political Science, International and European Law, and English Language and Literature with a focus on Security Politics, the European Union, and Southeast Europe, for which she studied at the Rheinische Friedrich-Wilhelms-Universität Bonn and the University of Birmingham. Ms. Esch has published on the EU's engagement in Kosovo. Prior to joining Aspen, she worked for an event management firm in Bonn and interned at the United Nations University's Institute for Environment and Human Security (UNU-EHS).

David Jackson

David Jackson is a PhD candidate at the Social Science Research Center Berlin and the Berlin Graduate School for Transnational Studies. His dissertation, for which he received a scholarship from the Fritz Thyssen Stiftung, deals with the emergence of clientelism in Kosovo under conditions of internationally-led democratization. Mr. Jackson's further research interests include EU external relations, governance in areas of limited statehood, and ethnic and race relations. He has worked for a development NGO in Jordan, for the World Health Organization in Geneva as an external analyst, and at the Cabinet Office of the British Prime Minister in London. Mr. Jackson holds a B.A. in Modern History and Politics from the University of Oxford and a Master of Public Policy from the Hertie School of Governance. He currently lives in Pristina, Kosovo.

Rüdiger Lentz

Rüdiger Lentz is the Executive Director of the Aspen Institute Germany. Previously he served as the Executive Director of the German-American Heritage Foundation and Museum in Washington from 2009 until 2013. From November 1998 until December 2009, he was the Washington Bureau Chief and Senior Diplomatic Correspondent for Deutsche Welle. Prior to his assignment in Washington, he served as Deutsche Welle's Brussels Bureau Chief. Before joining Deutsche Welle, Lentz worked as a correspondent for the German news magazine Der Spiegel, after having served in the German Armed Forces for eight years and as a TV commentator and reporter at ARD/WDR, Germany's largest public TV and radio station. Lentz has also held various positions including that of Editor in Chief at RIAS-TV Berlin from 1990-1992. As the Executive Director of German TV from 2002-2005 he was responsible for the branding and market entrance plan of German TV in the US. He has been a Visiting Lecturer at Harvard University, the School of Foreign Service in Washington and a regular guest on CNN and C-Span. Lentz was born 1947 and studied international relations, history and economics at the University of Hamburg. He is a long time member of the Atlantik-Bruecke and a founding member of the German American Business Council (GABC) in Washington.

Petar Mihatov

Petar Mihatov is currently Head of International Defense Cooperation and Security Sector at the Croatian Ministry of Defense. He started working for the Croatian Ministry of Foreign Affairs in 1999 as an OSCE and then NATO desk officer. From 2004 to 2008 he was Third and later Second Secretary covering political affairs (bilateral, EU and NATO) in the Croatian Embassy in London. In 2008, Mr. Mihatov served as Head of Section for Common Foreign and Security Policy (CFSP) and External Relations of the EU. At the end of 2008 he became the Chief of Staff of the State Secretary for European Integration and in 2009 the Chief of Staff of the State Secretary for Political Affairs. From 2010 to 2012 Mr. Mihatov was an Adviser to the Minister. Mr. Mihatov graduated from the University of Philosophy in Zagreb in Philosophy and Information Science, obtained a Master of Science degree in Political Theory from the London School of Economics and Political Science and a PhD degree in Political Philosophy from the University of Philosophy in Zagreb.

Aleksandar Andrija Pejović

Ambassador Pejović is the State Secretary for European Integration, Chief Negotiator for Negotiations on the Accession of Montenegro to the European Union (since December 2011), as well as the National Coordinator for the Instrument for Pre-Accession Assistance. In the last two years (since March 2010) he has been Ambassador - Head of the Mission of Montenegro to the EU and (since October 2010) the permanent representative - Ambassador of Montenegro to the Organization for the Prohibition of Chemical Weapons in Hague. Prior to his appointment as the Ambassador to the EU, he was Director of the Directorate for the European Union in the Ministry of Foreign Affairs of Montenegro for three years. Furthermore, he was a member of various government working bodies in the process of European integration, and coordinated the preparation of answers to the EC Questionnaire - Political Criteria and the Chapter 31 – Foreign, Security and Defense Policy. He has been working in the Ministry of Foreign Affairs since 2000. He performed duties in several departments within the Ministry – multilateral affairs (UN and regional cooperation), bilateral affairs (neighboring countries and Western Europe) and the EU. He worked in the Office for Cooperation between Montenegro and Slovenia in Ljubljana, as well as in the Embassy of Serbia and Montenegro in Skopje, where he also performed the duty of national representative to the Regional Centre for Migrations, Asylum and Refugees. He was national coordinator for Montenegrin chairmanship of the Adriatic Ionian Initiative, coordinator for chairmanship of the Migration, Asylum, Refugees Regional Initiative and deputy national coordinator for the fight against human trafficking. Before his employment in the Ministry of Foreign Affairs of Montenegro, he had worked as professor in the Grammar School in Herceg Novi for three years and a half. He speaks several languages, among which English, Italian, French, Slovenian and Macedonian. In his free time, he is engaged in writing and sculpting. He is the author of several specialist papers on international relations and geopolitics, as well as of one novel *Amabor*.

Zoran Petrov

Zoran Petrov ist the Deputy Minister of Foreign Affairs of the former Yugoslav Republic of Macedonia. Before assuming is current position Mr. Petrov served as Head of the Analytics Department of the Intelligence Agency of the former Yugoslav Republic Macedonia for seven years. From 1988 to 1999 he was a journalist with the daily newspaper "Nova Makedonija" and received several awards for his work. Mr. Petrov holds a B.A. in General and Comparative Literature from the Faculty of Philology at the "St. Cyril and Methodius" University in Skopje and continued his education in Germany, USA, France, Italy and the United Kingdom. Source: www.mfa.gov.mk

Ernst Reichel

Dr. Ernst Reichel is currently Envoy for Southeast Europe, Turkey and the EFTA-States at the Federal Foreign Office in Berlin. Prior to this position he served as Head of Division 209/Western Balkans. A career diplomat, Dr. Reichel joined the German Foreign Service in 1988, serving *inter alia* in New York at the German mission to the United Nations, as Deputy Head of the Division for EU-Policy and as Deputy Chief of Cabinet for the NATO Secretary General. Most recently, Dr. Reichel served as Head of Division for Russia, Ukraine, Belarus, Moldova and Eastern Partnership. Before entering the Foreign Service, Ambassador Reichel studied law and received a doctoral degree from the University of Bonn. He was born in Lagos, Nigeria.

Christoph Retzlaff

Christoph Retzlaff has been Head of the German Foreign Office Division for EU-Enlargement, European Neighborhood Policy and EU External Relations since August 2011. He joined the German Foreign Service in 1993 and served in Burma, Moscow and New York. Christoph Retzlaff started his career at the German Embassy in Moscow from 1994 to 1997. Back in Bonn and Berlin he worked in the UN and Personnel Department. From 2001 to 2004 he was posted as Deputy Head of Mission in Yangon / Burma. Christoph Retzlaff worked in the Political Department of the Foreign Office from 2004 to 2008 (South Caucasus and Central Asia). From 2008 to 2011 he was Legal Adviser and Deputy Head of the Political Department of the Permanent Representation of Germany to the United Nations in New York. Christoph Retzlaff studied Law and History in Freiburg and Berlin. He is married and has 3 children.

Konstantin Samofalov

Konstantin Samofalov is an elected member of the Serbian Parliament. Mr. Samofalov joined the Democratic Party (DS) in 2000 and was the president of DS youth Belgrade from 2000 to 2007. From 2004 to 2008 he was member of the city assembly of Belgrade. He was elected to the Serbian parliament in 2007, 2008, and 2012. In the parliament he is a member of the Defense and Internal Affairs Committee and deputy member of the Foreign Affairs Committee. He is also a Member of the Serbian delegation to the NATO Parliamentary Assembly (PA) (Head of Serbian delegation at 2010 Riga and 2012 Tallin NATO PA sessions), and of the Serbian delegation to the EU CSDP Parliamentary Conference. Mr. Samofalov graduated from the Faculty of Law of the University of Belgrade in 2007 in International Law. He completed the senior executive seminar "Countering Narcotics Trafficking" at the George C. Marshall Center for European Security Studies in Garmisch-Partenkirchen, Germany. He also took part in the past two sessions of the Halifax International Security Forum in Halifax, Canada. After serving in the Serbian armed forces as a member of the first generation of volunteers following the decision on professionalization, he graduated in the first cohort of students in Advanced Defense and Security Studies at the Military Academy (University of Defense) in July 2012. He is a board member of the Parliamentary Forum on small arms and light weapons, and also a member of European leadership network, a London-based think-tank. Mr. Samofalov is fluent in English and uses French.

Petrit Selimi

Petrit Selimi was appointed Deputy Minister of Foreign Affairs of the Republic of Kosovo in June 2011. Before joining the MFA, Mr. Selimi was a candidate for an MP seat for the PDK at the 2010 National Elections. Prior to this, he worked from 2006 to 2010 as a private Public Relations and political risk consultant, providing advice for companies and institutions such as IPKO, Telenor ASA, the Norwegian Ministry of Foreign Affairs, the RWE AG, Raiffeisen Investment, Lazard, etc. From 2005-2006 Mr. Selimi was one of the founders and the first Executive Director of the Express, an independent daily published in Prishtina. He joined the Express after working as communications and media advisor initially for IPKO.org (2000-2003) and then for the OSCE Mission in Kosovo (2003-2004). Mr. Selimi was active as children's and youth rights activist, being one of the founders of Postpessimists, the first network of youth NGO's in former Yugoslavia (1992-1998). They won a UN Peace and Tolerance Award. He has in recent years served on the Board of Directors of Soros Foundation in Kosovo, and Martti Ahtisaari's Balkan Children and Youth Foundation. He is fluent in Albanian, English, Norwegian and Serbian. Mr. Selimi has a BA in Social Anthropology from University of Oslo, and is graduating as MSc in Media and Communications from the London School of Economics, as a recipient of Chevening Scholarship. (Source: Ministry of Foreign Affairs of Kosovo)

Helge Tolksdorf

Helge Tolksdorf is currently Head of the Division for EU Enlargement, Southeast Europe and Turkey in the Directorate-General for European Policy of the German Federal Ministry of Economics. Before assuming this position in 2003, he served as *inter alia* as Deputy Head of the Division for the Asia-Pacific Region and Deputy Head of the Division for General issues relating to Eastern Europe, both in the directorate-general for external economic policy of the Federal Ministry of Economics. Mr. Tolksdorf studied international economic relations at the Higher Institute of Economics in Sofia, Bulgaria. He is married and has three children.

Ana Trišić-Babić

Ana Trišić-Babić is currently Deputy Minister of Foreign Affairs of Bosnia and Herzegovina. Prior to being appointed to her current position, Ms. Trišić-Babić served *inter alia* as Assistant Minister for Bilateral Affairs at the Ministry of Foreign Affairs of Bosnia and Herzegovina, as Chairperson of the Commission for the NATO Integration Process of Bosnia and Herzegovina, and as Head of Working Group I of the Stabilization and Association Agreement. Ms. Trišić-Babić holds a degree in international public law from the Faculty of Law of Schiller International University in London and took part in the Senior Executives in National and International Security Program at Harvard University. Ms. Trišić-Babić is fluent in English and German, and has a good understanding of Russian and French.

ASPEN SOUTHEAST EUROPE WORKING GROUP

Rapporteur: David Jackson
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The Aspen Institute's Working Group on Southeast Europe' was convened in Berlin on November 27th 2013. The meeting brought together 6 select decision-makers from Southeast Europe (SEE), as well as officials from various ministries of the Federal Republic of Germany. The workshop was divided into four sessions: the first session evaluated the prospects for Euro-Atlantic integration; the second looked for ways to increase regional cooperation; the third focused on corruption and organized crime; and the final session visited the theme of energy security.

Session I: Euro-Atlantic Integration

One participant started the meeting by summing up a prevailing perspective of the prospects for Euro-Atlantic integration: the region has been stabilized but in a volatile way; enlargement fatigue is endemic in the media and public; and the transition process to democracy and market institutions is proving difficult. A question was posed to the representatives of the region: where do we stand on Euro-Atlantic integration – are we speeding up or slowing down?

In response, participants noted that 'historical issues' still blight integration into the EU. After twenty years of negotiations between Greece and Macedonia on the naming issue, little progress has been made explained one speaker. In fact, both countries are still 'very far' away from each other politically in this 'never-ending story', even though Greece remains Macedonia's largest external economic investor. Flashes of nationalist rhetoric are also harming relations between Serbia and Croatia.

Speakers noted that it was not all doom and gloom. Local elections in Kosovo went quite well (after some initial problems) and most major political parties in Serbia took part. One participant suggested that the elections in the north of Kosovo were the first democratic elections to place in that part of the country. After seventeen rounds of negotiations between the Prime Ministers of Serbia and Kosovo, progress has been made, and it was emphasized that this high level cooperation trickles down into other areas of collaboration. Just to the west, it was highlighted that the 2013 elections in Albania were a big success and provided for a peaceful change of power.

Even so, 'history is in our genes' explained one representative. Events celebrating national victories from the past are still huge political events for the present day in the region. The view was advanced that unresolved issues from past, such as identities, ethnic relations, political rights, cannot be solved via negotiating with the EU and with NATO, but persisting tensions but must be addressed by other means. In this way the EU and US approach to the region, however constructive it

may be, is also quite 'superficial.' Others disagreed with the view that region needs to open the box of the past. Looking forward and not backwards is the best perspective for the region; for example, one participant described Kosovo's ambition to be an exporter of peacemaking initiatives. More generally, one participant suggested that while the still pictures of the day to day may present negative images, overall the movie is a positive one.

Reform processes necessary for Euro-Atlantic integration were discussed. One participant from the region recalled that the recent accession of Croatia to the EU was very demanding in political and technical terms, meaning it is difficult to be an optimist for other SEE countries, especially as domestic constituencies have less enthusiasm; there are less positive signals from Brussels; and less integration to start with – 'It was difficult for Croatia, it will be incredibly difficult for others.' In Macedonia, eight years experience of being a candidate has produced a track record of reforms that is decidedly mixed. Some SEE politicians are also less than active in driving the reform process forward. Part of the problem, suggested one participant, may be that 'deep in their hearts, Balkan politicians do not want to seem to lose their authority' to the EU as it could diminish their domestic political standing.

Despite the possibility of stagnation, it was emphasized that the EU has a great deal of allure within SEE. In Montenegro, support for EU accession stands at around 75% and in Kosovo recent polling indicates that 95% of people support the U.S. and 93% the EU. Such high figures suggest that the EU and U.S. are still the guiding lights in Kosovo. In Serbia, it was explained that all the main parties support EU integration, with those smaller parties opposing it confined to a peripheral position. This widespread political support could be a strong basis on which to re-energize the enlargement process, but this also depended upon political elites communicating better what enlargement means, especially to the citizens within the EU to assuage any fears about domestic labor markets being jeopardized. 'The benefits of enlargement are just not being promoted enough' explained one participant.

The weak economies of the SEE countries dominated discussions. Participants noted that people and communities of the SEE countries are deeply concerned about living standards. Economic weakness is also hindering the accession process, with one representative pointing out that it was very difficult to pursue all these reforms when the economic situation is so fragile. Underlying tensions would also ease once the employment situation improves. Other participants suggested it was not just about the economy – Northern Ireland was still beset by sectarian problems with a relatively higher GDP – but rather political will was the most important driver of progress.

Economic weakness and EU passivity have led to other actors playing a more influential role in region. Turkey is an eager investor in the region, despite recent 'rhetorical flourishes' that have alarmed Serbia. While Russia does not have much of a stake in Kosovo, Belgrade is still closely connected to Moscow and the Russian ambassador is still an important political figure. Indeed, Serbia is still sitting on the two chairs of Russia and the EU. Other participants suggested it was difficult to read Russia's intentions, and there was some concern that the country may start playing the same games they are playing with eastern European countries. Summing up, one participant said: on the one side, 'we want to be part of the EU family but then another day, we may find ourselves waking up in Moscow or Beijing.' One representative advocated that it was only when the whole of SEE is a part of NATO that the strategic direction of the region would become clear.

Officials in Berlin perceived a mixed picture in the region. One diplomat reminded the group that enlargement is an essential foreign policy instrument and a driver of positive developments, particularly in relation to stability; yet comparing the period 2008-2012 to what went on before, progress has varied.

There has been good news on the Kosovo and Serbia issue for example. In a similar vein, another speaker remarked on the considerable accession progress of Croatia and the candidate status of other countries. It has been proven that the EU has been able to solve problems in the region, suggested one participant. However, western European capitals are concerned about dangerous areas of stagnation in the region. In Bosnia and Herzegovina (BiH) especially, trends are moving in negative direction: there has been no progress on EU accession and BiH's statehood is still questioned. Negative trends in democratic governance in Macedonia are also worrying and there is a possibility that these deficiencies could lead to the European Commission doubting Macedonia's candidacy.

One expert suggested 'enlargement fatigue is a fact of life.' Contrasting the celebrations at the Brandenburg Gate for eastern enlargement in May 2004 with the current 20% support for enlargement, it was noted that skepticism also afflicts the German parliament – the only parliament in the EU that can block enlargement. This malaise is explained by a general mistrust in EU institutions and 'ghosts' from previous enlargements. The EU needs to go on with enlargement, but has to be a bit more careful, stressed one speaker, while another suggested the EU should look at stepping up its foreign policy input in the region.

Participants highlighted the political dimension of enlargement: the EU is about common core values, it is a community and not just about adding value, and the long term benefits of enlargement must be explained more effectively to parliaments and people. Accession

can only come about through political progress and not just technical progress, and more work is needed to ensure that the reforms are embedded within society. One expert suggested that though in some areas Croatia represents a success, there were also many missed opportunities as, for example, the reform agenda in economy should have gone further, with more stringent benchmarks to ensure structural change. Deeper reform is necessary and a high level EU/SEE conference, which fairly divides burden sharing, is a possible way forward. One participant noted that the EU countries are quite optimistic that they are close to being back on track economically, and that Russian and Chinese involvement in the SEE are not sources of anxiety, even though it may provoke economic competition. Indeed, their involvement could provide a win-win when it comes to security.

Session II: Regional Cooperation

Regional cooperation occurs across many policy fields but the trends seem to be contradictory. While the countries of the region have moved to strengthen the ties of cooperation, animosity and rising nationalism seem to be on the rise. Is there a need for a regional approach to reconciliation? How can this be done?

One representative advised that the past cannot be artificially suppressed by technical cooperation and called for more talking about the past and renewed efforts to provide avenues to do this. Technical and economic cooperation are important but increased attention needs to be paid to the past so that deep seated rivalries and suspicions do not explode the current stability. It was noted that politicians from the different countries still play the nationalist card as evidenced in the Serbia Prime Minister's negative reaction to France's invitation to Croatia for the Second World War memorial event, even though Croatia was on the side of the Axis powers. Tensions over the use of Serbian Cyrillic letters in Vukovar was also noted.

At the same time, Serbia and Croatia are showing signs of strengthening relations. Successful cooperation in the security sector was highlighted. As part of the NATO-ISAF in Afghanistan, troops from Montenegro, Croatia and Macedonia are deployed together and in combat mode advising Afghan security forces, and this represents a form of cooperation that should be repeated elsewhere. It was noted that Macedonia is an initiator of the NATO group in the region. Increased partnerships were hailed as a solution to some of the governance challenges cited in Macedonia's recent poor progress report issued by the European Commission.

One representative suggested that getting countries around the same table has been achieved; what is now important is to decide which of the plethora of regional initiatives are useful and which are ineffective. The Regional Cooperation Council, Adriatic Union, Danube Initiative, and the SC2020 were just some of the examples of cooperative structures, which need to be more soberly evaluated according to need. There are perhaps too many initiatives, recommended one participant, and there is a missing link between the 'overwhelming Stability Pact' and the more fragmented initiatives we have now. One suggestion for a bridging institution could be a 'Western Balkan 6 Initiative' modeled on the Visegrad group that would bring the SEE countries together to focus on three issues: organized crime and corruption, business barriers, and infrastructure. Others warned against the opening of a new framework when existing frameworks are not functioning well, as the management capacities of the region are already overstretched. In general, local ownership of these regional structures is absolutely vital, advised one expert.

Bilateral cooperation between countries of the region is too inconsistent: strong in some areas and weak in others. The SAA mandates countries to sign agreements with regional countries, but sometimes these agreements are difficult to implement – it was reported that sometimes countries just do not hear back from their respective neighboring countries. These difficulties in implementation are surprising given that accession to the EU is the one of the few interests shared by the countries of the region, one speaker pointed out. Yet, sometimes bilateral cooperation is very useful. A good example highlighted is the constant flow of Croatian experts to Montenegro in order to help them with the accession process – real practical help, which is not dependent on outsiders. Certain bilateral relations were cited as central to the region's stability, especially Serbia's relations with Albania and Croatia.

Cooperation is often scuppered by the 'old ghosts' of nationalism, to which SEE politicians still appeal as a way of winning political support. Yet, while history is very important, the first key word is the economy, as if people live decently, nationalism would disappear argued one participant. The EU is a peace project for the region, but it was also noted that NATO integration can create instant benefits and provides a very interesting framework for cooperation. Participants agreed that sport opens up avenues of cooperation, but progress here is stalling as, for example, Kosovo's entry into the regional basketball league prompted Serbia's exit. Sport is essential for rooting a sense of a civic identity. Young people need to be brought into reconciliation efforts, especially as many harbor lingering prejudices witnessed by some recent neo-Nazi activity. One instrument to promote a greater exchange would be to establish exchange projects, like those successfully developed between France and Germany after the Second World War.

Others revealed they were not so optimistic about substantial cooperation. Indeed, the failure of the Ohrid summit in 2013 had shown how quickly regional ties can fall apart. The lack of Kosovo representation in

regional organizations has to be solved advised one representative; the only time when there was officially affirmed Serbian and Kosovo presence in the same forum including the Kosovo flag was at a photo-op with the German Foreign Minister during the Aspen Institute conference – in all other occasions Serb diplomats move away from the Kosovo flag.

Generally, it was put forward that regional cooperation has to develop much further to fulfill the 'Copenhagen criteria' of good neighborly relations. There are still few core values that 'bind us together', suggested one speaker. Nothing about the region is fixed, rather cooperation exists in a twilight zone and there are politicians who still dream of new borders in the region. When statehood is fixed and internal consensus is there, it is much easier to forge effective cooperation. If the EU really wants to integrate the region, then the EU should be our coach and bring the Presidents together, and say: 'these are the fixed borders of the SEE countries.' While it was advised that the EU certainly appreciates that good neighborly relations are very important – one of the three pillars of the SAA – others suggested that one cannot expect too much from EU leadership, but instead we should look to individual countries, notably Germany.

Session III: Organized Crime

Discussions on organized crime and corruption revolved around the issue of how it can be solved – greater cooperation was suggested as one possible route forward. To this end, measures have already been taken. It was noted that Macedonia has signed an agreement on police cooperation and in 2007 established an agency in order to partner with neighboring countries. Anti-corruption inspectorates in ministries across Macedonia are also very active.

One participant advised that organized crime and corruption are also problematic for EU member states; for instance, the former Prime Minister of Croatia was in jail for illegal dealings involving EU member states. It is in the EU's interest to tackle the problem, but are they doing enough? Enlargement was cited as an important mechanism for reform, but it was advised that concrete tangible incentives are needed to combat the issue, and not just a vague promise of EU integration. One expert warned that EU integration brings about 'shock therapy' to rule of law systems that require a lot of time to be internalized. A lesson learned from Croatia is that Chapter 23 and 24 of the *acquis communautaire* should be opened as early as possible as reforms in these chapters take time: rushing the process may only lead to a shallow reform that fails to become embedded in society. More generally experts warned that once reforms have been made, there is still the possibility of backsliding.

Montenegro was considered to be a 'test case' on the EU's newly upgraded approach to tackling crime. This approach means that a whole new management system has to be installed made up of new legislation and institutions to ensure no country enters the EU with any suspicions. This was not about shallow reforms and should be assessed according to outcome indicators that measure impact and their overall effects. Action plans are an important pillar of this process and the implementation of these plans can be aided by expertise lent by established member states. It was advised that the creation of a common framework of rules is helpful, but more direct measures, such as a new regional organized crime project, could be more effective in driving the reform process forward.

Progress has been made in Serbia: just ten years ago the Serbian Prime Minister was assassinated by organized crime groups, but now narco-cartels have been broken up and property confiscated from these groups. Yet, challenges still remain: the informal economy is large, the judiciary's independence is suspect and the media is stained by dishonesty. Strengthening institutions is an absolutely critical first step to stopping corruption, especially increasing the parliament's capacity for oversight.

All participants suggested that corruption creates mistrust in the state. In Kosovo, however, it was described how the resistance to the Yugoslav state in the 1990s created a norm of conducting social and economic life beyond the reaches of governmental authority. In order to bring people back within the framework of the state – so that taxes are paid and licit goods are sold – a mental shift has been necessary, and this has largely been achieved: there has been double digit growth in tax receipts and each day the grey economy is becoming smaller. Capacities have also been strengthened to tackle corruption in Kosovo and more than 600 investigations into corruption have been made. Even so, more needs to be done, especially in the north to address the issue, and in Kosovo there are 'still too many people looking to get rich from politics.' Kosovo's entry into regional organizations that address is these issues is a pre-requisite for broader successes within the region.

Corruption within the media, particularly the use of bribes and other inducements to set the media agenda, was cited as a worrying trend. One representative suggested that the independence of the media in BiH and other countries of the region was under threat by the daily practice of bribe taking. The economic situation was partly to blame, but also the inefficiencies of the justice system. Another participant agreed that the independence of media has been hollowed out in the region, partly because international donor money had dried up for media projects and many of the best journalists had become politicians.

Do organized criminals still have links with heads of government? The stranglehold of so-called 'warlords' on the SEE countries was affirmed to be mostly over. During the uncertainties of political transitions there has always been links between crime and politics (even after German reunification), but over time the separation between the legal and illegal is normally consolidated. Though the countries of SEE have a way to go, progress should be made by steady steps; dismantling the whole system of government may provoke adverse effects. Participants considered it surprising that all this corruption went on in front of the eyes of the international community, in particular in Bosnia and Herzegovina, and Kosovo. Others noted that for this issue civil society cannot do everything; rather, political will is crucial, allied to media freedom.

Session IV: Energy security

A consensus emerged during discussions that energy supply is vital: economic growth and living standards are directly and inextricably linked to the availability of reliable and affordable energy supplies. But are the countries of the region an appealing enough market for external suppliers? Speakers pointed out that SEE countries could work together to make themselves more attractive as an end market rather than just as a transit route. Currently in the background, cooperation on energy should come closer to the foreground, especially in such a multi-layered issue such as energy. Investment cycles, technological innovations and market formation are central to energy supply – but so complex that they demand multilateral solutions.

Energy could play a role in stimulating regional integration, especially as there are clear economic payoffs, underlined one participant. A degree of cooperation already exists in relations to the SAA rule that all accession countries must have a 90-day supply of oil stocks on their territory. One representative recommended that any cooperation must be based on a rule-based system to avoid the type of energy disputes currently harming central Asia. The importance of further regional integration into NATO was reaffirmed here, for if all the countries are allies the risk of de-stabilizing disputes over energy would diminish.

The pitfalls of dependence on Russia were highlighted, but one speaker believed it unwise to see Russia as a kind of 'bogeyman.' Nevertheless, countries should try to diversify their supplies, especially by developing new connectors in the region. Increasing Chinese investment in the energy sector was noted. In Serbia, the government are currently cooperating on thermal energy with the Chinese government, which are eagerly looking to invest into the region's energy infrastructure.

Most participants stressed the importance of diversifying energy production. Forward steps have been made and the potential is there: Montenegro is rich in hydro potential and coal, and would be an important energy supplier for the region, especially if connectors to Italy materialize; Kosovo has abundant lignite (though this is a heavy polluter); and Macedonia has made investments in green energy. Despite these good news, more work on diversification is necessary.

The link between energy supply and organized crime was noted. The most organized criminal sector is the 'Balkan energy mafia' comprised of companies, which use their intimate relations with governments to increase the price of energy. Corruption is also hindering outside investment: no European company will invest in the region if they have to bribe to win contracts. The challenge for the governments of SEE is to create a market that is both attractive for foreign investment and conducive for energy efficiency.

ACRONYMS USED

A3	Adriatic Charter
ACBSP	Accredetation Council for Business Schools and Programs
AK	Justice and Development Party (Turkey)
AKP	Adalet ve Kalkına Partisi
ALB	Albania
ASE	Russian State Company Atomstroyexport
bcm	billion cubic meters
BIH	Bosnia and Herzegovina
BKA	Bundeskriminalamt (German Federal Office of Criminal Investigation)
BLACKSEAFOR	Black Sea Naval Cooperation Task Group
BSBCIC	Black Sea Border Coordination and Information Center
BSEC	Black Sea Economic Cooperation
BSTDB	Black Sea Trade and Development Bank
BSTP	Black Sea Regional Transmission Planning Project
BTC	Baku–Tbilisi–Ceyhan
BTD	Balkan Trust for Democracy
C-IED	Counter Improvised Explosive Devices
CARDS	Community Assistance for Reconstruction, Development and Stabilisation
CATS	Coordinating Committee in the area of police and judicial cooperation in criminal matters
CDC	Community of Democratic Choice
CEE	Central and Eastern Europe
CEFTA	Central European Free Trade Area
CEI	Central European Initiative
CEPOL	European Police College
CFCCS	Center for Comparative Conflict Studies at Singidunum University
CFSP	Common Foreign and Security Policy
CHN	China
CIMIC	Civil Military Cooperation
CIS	Commonwealth of Independent States
CORF	Collective Operational Reaction Forces
DPC	Democratization Policy Council
CPKF	Collective Peace-Keeping Forces
CRDF	Collective Rapid Deployment Forces for Central Asia
CRO	Croatia
CSDP	Common Security and Defence Policy
CSEE	Central and Southeast Europe
CSTO	Collective Security Treaty Organization
DCAF	Democratic Control of Armed Forces
DEA	Drug Enforcement Administration
DESFA	National Natural Gas System Operator S.A. (Greece)
DOCO	Development Operations Coordination Office
DPA	Democratic Party of Albanians (Macedonia)
DPPI	Disaster Preparedness and Prevention Initiative
DSACEUR	Deputy Supreme Allied Commander Europe
DSRSG	Deputy Special Representative of the Secretary General
DTRA	Defense Threat Reduction Agency
EaP	Eastern Partnership
EC	European Community
ECAA	European Common Aviation Area
ECFR	European Council on Foreign Relations
ECMI	European Center for Minority Issues
ECPR	European Consortium for Political Research
EFTA	European Free Trade Agreement
EIB	European Investment Bank
EIU	Economist Intelligence Unit
EMCDDA	European Monitoring Center for Drugs and Drug Addiction
EnC	European Energy Community
ENP	European Neighborhood Policy
EOD	Explosive Ordnance Disposal

EPS	Electric Power Industry of Serbia
ESDP	European Security and Defence Policy
ETA	Euskadi Ta Askatasuna (Basque Homeland and Freedom)
EU	European Union
EUFOR	European Union Force
EULEX	European Union Rule of Law Mission
EUPAT	European Union Police Advisory Team
EUPM	European Union Police Mission
Europol	European Police Office
EUSR	European Union Special Representative
FARC	Revolutionary Armed Forces of Columbia
FBI	Federal Bureau of Investigation
FDI	Foreign Direct Investment
Frontex	European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union
FSU	Former Soviet Union States
FTA	Free Trade Agreement
FYROM	Former Yugoslav Republic of Macedonia
GABC	German-American Business Council
GCSP	Geneva Centre for Security Policy
GDP	Gross Domestic Product
GER	Germany
GFI	Global Financial Integrity
GW	Gigawatt
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Foundation for International Cooperation)
GUAM	Georgia, Ukraine, Azerbaijan and Moldova
GWOT	Global War on Terror
HAG Pipeline	Hungaro-Austria-Gas pipeline
HLAD	High Level Accession Dialogue
HPP	hydroelectric power production
HR	High Representative
IAP	Ionian Adriatic Pipeline
IARPA	Intelligence Advanced Research Projects Activity
ICC	International Chamber of Commerce
ICC	International Criminal Court
IEA	International Energy Agency
IENE	Institute of Energy for Southeast Europe
IFOR	Implementation Force
IFSH	Institute for Peace Research and Security Policy at Hamburg University
IMEMO	Institute of World Economy and International Relations
IMF	International Monetary Fund
INCB	International Narcotics Control Board
IPA	Instrument for Pre-Accession Assistance
IRIS	Institute for Regional and International Studies
ISAF	International Security Assistance Force
IT	Information Technology
ITGI	Interconnector Turkey-Greece-Italy
KEK	Korporata Energjetike e Kosovës
KOM	Department of Anti-Smuggling and Organized Crime (attached to the Turkish National Police)
KFOR	Kosovo Force
KfW	Kreditanstalt für Wiederaufbau
KOS	Kosovo
kW	Kilowatt
kWh	Kilowatt hour
LDK	Lidhja Demokratike e Kosovës (Democratic League of Kosovo)
LNG	Liquefied Natural Gas
LSE	London School of Economics
MAP	Membership Action Plan

MARRI	Migration, Asylum, Refugees, Regional Initiative (MARRI)
MENA	Middle East and North Africa
MFA	Ministry of Foreign Affairs
MGIMO	Moscow State Institute of International Relations
MIFF	Multiannual Indicative Financial Framework
MKD	Macedonia
mmBTU	million British thermal units
MMF	Marshall Memorial Fellowship
MNE	Montenegro
MNG	Montenegro
MP	Military Police
MP	Member of Parliament
NATO	North Atlantic Treaty Organization
NATO PA	NATO Parliamentary Assembly
NDPP	NATO Defense Planning Process
NETS	New European Transmission System
NFP	National Focal Point
NGO	Non-Governmental Organization
NIS	Newly Independent States
NGO	Non-Governmental Organization
NPP	Nuclear Power Plant
NZEB	Net Zero Energy Building
OAS	Organization of American States
OCTA	Organized Crime Threat Assessment
ODIHR	Office for Democratic Institutions and Human Rights
OECD	Organization for Economic Co-operation and Development
OHR	Office of the High Representative
OMLT	Operational Mentoring Liaison Team
OSCE	Organization for Security and Cooperation in Europe
OSD	Office of the Secretary of Defense
PA	Parliamentary Assembly
PCC	Police Cooperation Convention
PCI	Project of Common Interest
PDK	Partia Demokratike e Kosovës (Democratic Party of Kosovo)
PEOP	Pan-European Oil Pipeline
PfP	Partnership for Peace
PIC	Peace Implementation Council
PIC SB	Peace Implementation Council Steering Board
PILPG	Public International Law and Policy Group
PKK	Partiya Karkerên Kurdistan (Kurdish Workers Party)
PMSC	Political-Military Steering Committee
POMLT	Police Operational Mentoring Liaison Team
PROSECO	Public Prosecutors Office
PRT	Provincial Reconstruction Team
RAI	Regional Anti-Corruption Initiative
RACVIAC	Regional Arms Control Verification and Implementation Assistance Centre for Security Co-operation
RCC	Regional Cooperation Council
RD&D	Research, Development & Demonstration
RECOM	Regional Commission for Truth-seeking and Truth-telling about War Crimes
RES	Renewable Energy Source
RIEAS	Research Institute for European and American Studies
RUS	Russia
RWLSEE	Regional Women's Lobby Southeast Europe
SAA	Stabilisation and Association Agreement
SAIS CTR	School of Advanced International Studies Center for Transatlantic Relations (Johns Hopkins University)
SAP	Stabilisation and Association Process
SECI	Southeast European Cooperative Initiative
SEDM	South-Eastern Europe Defense Ministerial

SEE	Southeast Europe
SEEBRIG	South-Eastern Europe Brigade
SEEC	South Eastern Europe Clearinghouse
SEECP	South East European Cooperation Process
SEEPAG	Southeast European Prosecutors Advisory Group
SEESAC	South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapon
SEESOX	South East European Studies at Oxford
SELEC	South East European Law Enforcement Centre
SEPCA	South East European Police Chief Association
SER	Serbia
SFOR	Stabilization Force
SFRY	Socialist Federal Republic of Yugoslavia
SGOC	Standing Group on Organized Crime
SIPRI	Stockholm International Peace Research Institute
SOCAR	State Oil Company of Azerbaijan Republic
SOG	Südosteuropa Gesellschaft
SP	Stability Pact
SPAI	Stability Pact Anti-Corruption Initiative
SRB	Serbia
SSDR	Strategic Security and Defense Review
SSR	Security Sector Reform
SWH	Solar water heating systems
SWP	Stiftung Wissenschaft und Politik (German Institute for International and Security Affairs)
TADOC	Turkish International Academy Against Drugs and Organized Crime
TANAP	Trans-Anatolian Pipeline
TAP	Trans Adriatic Pipeline
tcm	trillion cubic meters
TE-SAT	Terrorism Situation and Trend Report
TEE	Technical Chamber of Greece
TI	Transparency International
TOC	Transnational Organized Crime
TPA	Third Party Agreements
TPP	Thermo Power Plant
UCPTE	Union for the Co-ordination of Transmission of Electricity
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNCTOC	United Nations Convention against Transnational Organized Crime
UNDP	United Nations Development Program
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNMIK	United Nations Mission in Kosovo
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNPROFOR	United Nations Protection Force
U.S.	United States
USA	United States of America
USAID	United States Agency for International Development
USD	US Dollar
USEA	United States Energy Association
USSR	Union of Soviet Socialist Republics
UTSAM	International Center for Terrorism and Transnational Crime (Turkish Police Academy)
WDI	World Development Indicators
WEF	World Economic Forum
WWI	World War I
WWII	World War II

A FUTURE SECURITY ARCHITECTURE FOR SOUTHEAST EUROPE