„Europe’s conflict resolution:
The Stability Pact for South Eastern Europe”

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Introduction

On the 10 of June 1999, at the EU’s initiative, under German’s EU Presidency and after the end of the NATO air-war-campaigns, the Stability Pact for South Eastern Europe was adopted in Cologne. The Stability Pact for South Eastern Europe (SP) is the first long-term structural conflict prevention policy initiated by the EU (Calic 2001). More than 40 partner countries and organisations undertook to strengthen the countries of South Eastern Europe “in their efforts to foster peace, democracy, respect for human rights and economic prosperity in order to achieve stability in the whole region”. It should create “conditions for countries of South Eastern Europe, for full integration into political, economic and security structures of their choice”. Furthermore, the EU’s policy of Stabilisation and Association (SAP), including the Stabilisation and Association Agreements (SAA), has contributed to progress in promoting stability in the region and bringing the countries closer to the EU. Three years after the SP was signed, the Copenhagen European Council in December 2002 confirmed the European perspective of the countries of the Western Balkans “as potential candidates, and underlined its determination to support their efforts to move closer to the European Union”.

Comparing the EU’s ability in conflict resolution\(^1\) in South Eastern Europe (SEE), despite its “rocky road ahead” (Ehrhart 2003), the perception had begun to emerge, that the EU could be able to act as a fully-fledged actor around the world (Heusgen 2003, Bailes 2003, Calleo 2003). The EU’s conflict resolution capability in other parts of the world is far more limited (Brüne/Quillien 2002) than the creation of a stability zone in Europe. The Rapid Reaction Mechanism (RRM) has been in place for only a short time, and the disagreement in crucial foreign affairs like in the Iraq case even separated the political Union in an “old” and “new” Europe (Lemaitre 2003).

Whether or not the EU is able to develop into a unified and effective foreign and security policy actor\(^2\), especially when it comes to conflict resolution, is dependent on internal conditions as Philip Gordon (1997) pointed out. For states to share their sovereignty three conditions have to be fulfilled:

\(^1\) According to International Crisis Group (ICG) the notion of ‘conflict resolution’ is best understood as a part of “the cycle of response, corresponding to the different chronological stages through which crises and conflicts tend to move. […] The measures available to policy makers in each case – i.e. in both pre-conflict and post-conflict peace building – are essentially the same […]” (ICG 2001: 3).

\(^2\) The focus on references within the field of CFSP is basically used to assess its responses to crisis management: Hill 1997, Jorgensen 1997, Peterson/Sjursen 1997, Regelsberger et al. 1997 etc.
1. “The perceived gains of common action through the advantages of scale outweigh the potential costs of lost sovereignty or national prestige.

2. Government preferences or perceived national interests have converged sufficiently so that the first condition holds (because lost sovereignty is likely to matter less when EC member governments have similar interests and ideologies).

3. Particular interests of large states remain protected either through the application of strict limits or conditions to the terms of integration or through the ‘opting out’ of the state with the particular interests” (Gordon 1997: 78).

My argument is that external factors are as crucial as the above mentioned internal factors for explaining institutional and systemic changes in foreign policy matters in general and when it comes to conflict resolution in particular. In this paper, external factors both in integration and cooperation theories are therefore used to explain the ability of European conflict resolution and in particular why the EU developed effective and efficient instruments and structures in order to become a stability anchor in South Eastern Europe and why it is unlikely to become an effective actor in conflict resolution in other regions of the world.

Against this background, some questions have to be raised: what are the main characteristics of peace-building by the EU in South Eastern Europe? Which conditions must be fulfilled for successful EU-involvement? And, what are the consequences for integration theories, especially for the impact of external factors on European Integration? In other words: Does conflict resolution by the EU depend on the character of the external factor?

In order to give answers to the above mentioned questions in this paper I will, first of all, assess the impact of external factors on the EU’s ability in conflict resolution from a theoretical point of view and examines the conditions under which external factors have an impact on the EU’s conflict resolution ability. Therefore I look closer to theories of international cooperation European integration and external factors. The following part of the paper analyse the record of conflict resolution by the EU since its creation in 1995 and argues that the latest Iraq case demonstrated the shortcomings of the development in this policy field. The third section considers European attempts to implement long-term structural conflict prevention in South Eastern Europe and argues that neither of these efforts could be repeated in other parts of the world not only because of internal but also of reasons which are defined by the external factor so to say by the nature of the conflict itself. Finally, I will elaborate on
theoretical foundations of the role of external factors in integration theory which is by nature nothing else than purely a theory of conflict resolution.

**Theories of International Cooperation, European Integration and Conflict resolution**

To assess the capacity of the EU in conflict resolution it is, first of all, useful to reflect on past patterns of European conflict resolution and on theories that best explain the conditions under which integration proceeds in different case studies. In the theoretical literature in the area of cooperation and integration, there are according to Wagner/Hellmann (2003: 579) rationalist approaches as they are neoliberal institutionalism or rational institutionalism, neorealism/liberal intergovernmentalism, neofunctionalism/historical institutionalism and constructivism.

Referring to contemporary attempts to explain the integration process and consequently the ability of conflict resolution of the EU, it has to be pointed out that external factors are so far neglected when it comes to theorizing about CFSP and conflict resolution of the EU. Before I will explain the assessment of cooperation and integration theories in this policy field in order to find out in which approaches external factors have been so far conceptualised, we have to note:

- First of all, the “grand theories” (Meyers 1997: 329ff) have been reformulated at different times according to the development from the EPC to CFSP. Therefore principle agent approaches (Kassim/Menon 2003) were elaborated to cope in a better way with empirical findings of the Integration process.
- Secondly, in order to cope with externalities such as border conflicts outside the EU’s territory which affect the integration process and especially the mechanism and structures of its ability to intervene, the conceptualisation of external factors need to be more sophisticated in theory.

Considering the duopoly of idealism versus realism within in the genesis of IR-Theory, the Stability Pact for SEE is principally in line with the idealistic way of IR-theory. The underlying spirit is international idealism. It is a strategy for conciliation and peace, war is not futile and economically wasteful. Large number of NGOs, IGOs of the international civil society are involved. In development theory it would be called empowerment of civil society.

After the second world war Karl W. Deutsch (1957: 5) regarded the building of a so-called ‘security community’ in which groups of states do not physically fight each other but settle their disputes in some other ways as the best way of solving conflicts among states.
According to Adler/Barnett (1998: 3) we have to ask if the SP for SEE can be regarded as a security community? The problem is that Deutsch’ approach is state centric. Above all, a mature security community includes unfortified intramural borders. But: Are the SEE countries on the road to a security community? Or are the conservative powers looking back into the past too strongly? In contrast to Deutsch, Adler/Barnett (1998) speak of a ‘security regime’. A security regime refers to something more than simply short-term convergence of interests and point to the creation of a sense of belonging together. A security community is based on learning processes but regimes are not as strong (Adler/Barnett 1998: 98). Security regimes are governed by rationally founded individual interests. The need to solve urgent practical problems as the high influx of refugees, to avoid a spill-over of instability from the former Yugoslavia to the EU’s territory led to the formulation of agreements, rules, norms, and decision-making procedures under the Stability Pact for South Eastern Europe on 10 June 1999. It is a kind of encapsulation of conflict by legalisation of their modes of resolution (civilisation of conflict). Especially, security regimes overarch the spheres of competence of the traditional society of states and integrate the cooperation of actors into a complex multi-level system of political decision-making process among interlocking institutions.

Drawing on interdependence theory (Keohane/Nye 1989), neoliberal institutionalism (Keohane 1989) identifies tendencies towards the institutionalisation and normative regulation of conflict and cooperation. While accepting the neorealist image of the international system as regulated anarchy in which a central authority is absent, it rejects the idea that the system structure does exclusively determine the politics/behaviour of states. It rather insists on the importance of institutions, regimes, IGO within the structure of the international system and their influence on the behaviour of governments. Credo: Institutions matter (Keohane 1989: 2). Keohane/Nye (1989: 11-19) distinguishes between interdependence-vulnerability and interdependence-sensitivity: While sensitivity reflects the openness of a system for external factors, in terms of financial consequences (financial aid policies), vulnerability reflects the ability of a system, to compensate the costs by alternative policies (long-term prevention). Thus, the concept of interdependence-vulnerability must be transformed into a variable which explains the position of a state within one issue-specific interdependence. For instance, because of the severity of the humanitarian crisis in Kosovo every fourth asylum seeker in Europe coming from the FRY, among them the largest number was a Kosovar-Albanian. This fact created a migratory pressure which pushed the EU MS to coordinate their national refugee policies towards SEE in a kind of EU-Temporary Protection Regime. MS entered into
cooperation even if other MS gained more from the interaction. In general, actors’ absolute gains are more important than their relative gains; shared interests can lead to the creation of institution which, once in existence, are less difficult to maintain than to set up. The aim is to prevent/overcome disaccords and conflict by the creation, maintenance and extension of cooperative frameworks facilitating collective action and interstate bargaining. In other words, institutions not only change the context within which states make their self-interested decisions; under a number of circumstances, they might even be necessary for the effective pursuit of a state’s policy. According to these rationales, in 1999 the EU MS pushed for the SP for SEE not only under a supranational (strengthening the bilateral dimension) but also under a multilateral institutional framework which gives greater importance to the regional dimension of cooperation which allows MS to more easily follow their own interests.

Intergovernmentalist (Hoffmann 1966, Moravcsik 1991, 1993, 1997) seeks to analyse the EC as the result of strategies pursued by rational governments acting on the basis of their preferences and power, especially in ‘high politics’. This is coupled with foreign policy alliances with other actors: “states such as the UK have favoured ‘Atlantic ties; those such France and Germany remained ambivalent about the future of CFSP based on pure cost-benefit analysis and concerns regarding the loss of foreign policy ‘neutrality’ (Hoffmann 2000: 191-192). Moreover, the transfer of sovereign power is turned into a calculated instrument that serves a specific purpose to regain their capacity of control and to increase their autonomy vis-à-vis domestic actors (Moravesik 1994, Wolf 1999). In their article “Exlaining the treaty of Amsterdam” (Moravscik/Nicolaidis 1999: 61), the authors emphasise again the role of MS as the strongest actors in the institutional interactions within the EU. Furthermore, the aforementioned concept of issue-specific interdependence is used as a concept for explaining MS preferences in policy-fields where societal actors are less strong as it is the case in refugee matters. From this perspective, Moravcsik argues that governments create human rights regimes “to look in and consolidate democratic institutions, thereby enhancing their credibility and stability vis-à-vis non-democratic political threats” (Moravcsik 2000: 220).

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3 The problem of relative gains is the most critical issue between neorealists and neoliberal institutionalists (see Hasenclever et al. 1997: 115ff).
4 EC institutions strengthen the power of governments and they increase the efficiency of interstate bargaining. For instance, when ethnic conflict broke out again in Macedonia in 2001, no MS derive unilaterally from the common position agreed on the EU-level (Wagner 2003: 583).
Given the importance of intergovernmentalism, accepting the reduced role that the Commission and the European Parliament could play in CFSP matters, the “crisis-situations can kick-start the EU’s negotiating system and create windows of opportunity which counteract the usually protracted nature of its negotiations” (Friis/Murphy 2000: 17). The EU managed to agree on the SP with its basic idea of “peace by integration” within this 1999 Kosovo crisis. As Günther Verheugen, Commissioner for Enlargement, pointed out: “Without the Kosovo conflict there would be no EU perspective within the framework of the SAAs”. Even Bulgaria and Romania would not be included in the EU-enlargement perspective around 2007. The EU perspective is the famous light at the end of the tunnel and the stimulus to overcome the ‘vicious cycle’ of regional stabilisation in SEE. ‘Peace by integration’ became the political concept used to be applied in SEE. Despite the explanatory power of rational decision-making, it has its limits. Within the Kosovo crisis the EU could not only look into its already existing toolbox. In order to fulfill its new responsibility to contribute to conflict resolution it secured further amounts of assistance, as well as appropriate implementation mechanisms and a legal basis including the perspective of EU membership.

In order to create conditions necessary for achieving a stable peace structure and to prevent the outbreak of a new war after the second world war, Ernst Haas (1968) presented in his book “The Uniting of Europe” the first major outline of neofunctionalism. Haas considered technical elites, industrial cooperations and supranational institutions for the progress of supranational regulation of economic issue areas as precondition for the (political) peace-stabilizing community-building process. A once started integration process is followed by additional further integrative measures (spill-over-effect). The final result of all is a supranational federal political unit. In confrontation with de Gaulle’s policy in the 1960s, other neofunctionalist authors tabled revised versions (Nye 1971, Schmitter 1971). Schmitter integrated the problem of externalisation and exogenous tensions as one variable among several other process-generated contradictions as a ‘feed back’ to the regional institutions. Among these process-generated contradictions the basic one is: “[…] a difficulty in isolating joint regional deliberations from a context of global socio-economic dependence (externalization) […]” (Schmitter 1971: 235f). Furthermore, he suggested to consider crisis-induced decision-making cycles. Despite this very elaborate neofunctionalist theorizing, these ideas have been widely neglected. Neofunctionalist (Tranholm-Mikkelsen 1991, Sandholtz/Zysman 1989, Sandholtz 1993) and historical institutionalist approaches (Bulmer 1994, Pierson 1996) have had their revival in the last few years. Especially with developments
after the treaty of Amsterdam and the enforcement for the CFSP mechanisms such as the new position of Mr PESC- Secretary General of the Council/High Representative for the CFSP, a new debate developed on who the principle-agent relationship would now look like (Jørgensen 1997, Øhraaard 1997). Jørgensen argues that „it makes sense to speak about the supranationality of intergovernmentalism, […] the flow of influence runs differently when viewed from the supranationality of intergovernmentalism perspective – it runs from a European non-center to foreign ministries in national capitals“ (Jørgensen 1997: 178). Øhraaard argues that EPC and the dynamics of intergovernmental integration is less than supranational and more than intergovernmental (Øhraaard 1997). But in general the analytical scope these approaches is only focused on internal developments.

Finally, although I do agree that every single one of the aspects explored does represent important ideas in theorising about change at the European level, especially in the field of its ability in conflict resolution, there is a general lack of clarity regarding the nature of the external factor and its conceptualisation in theory. Furthermore, the relation and causal connections between the various aspects and categories identified often remain vague. Beyond developments at both the domestic and supranational level, the EU’s behaviour as an international actor is not only conditioned by transatlantic relations as Peterson (1998: 11) pointed out. Rather this paper suggests that for the explanation of the EU’s capability in conflict resolution, specific situational variables should be examined together with other factors (Hermann 1969). Individual categories of situations can be isolated and defined. Crises constitute one possible category if only because it has been analysed so frequently in international relations but less in European politics. Therefore this aspects of substance of an external factor should be taken into account in integration and cooperation theory. According to Hermann we shall stipulate that “a system is a set of actors (for example, nations, international organisations, and so on) interacting with one another in established patterns and through designated structures. In any given international political system, critical variables must be maintained within certain limits or the instability of the system will be greatly increased – perhaps to the point where a new system will be formed. A crisis is a situation which disrupts the system or some part of the system […]” (Hermann 1969: 411). The structures and processes that maintain an international system, in this context the EU system, was more or less subject to the sudden stress imposed by the 1999 Kosovo crisis (Friis/Murphy 2000). The question then arises as “to what structures and processes are most
‘sensitive’ to crisis situations. Sensitivity can vary in several ways including the tendency for some parts of the system to be more frequently exposed to crises” (Hermann 1969: 412).

The conclusion from this brief overview on theories and the conceptualisation of external factors thus seems clear, and it is relevant to any assessment of the prospects for further integration in the area of foreign and security policy especially in the field of conflict resolution. The conclusion is that the main actors only share their sovereignty on the European level and develop the exercise of agency, when the following three criteria of an external factor are fulfilled: First of all, without a sufficient degree of MS vulnerability, a common crises management and conflict resolution is unlikely, simply because a win-win situation for all actors in coordinating policies is lacking. The concept of state’s vulnerability could be illustrated in this paper by an high influx of refugees from the conflict area. Second, a high geographical proximity or a specific geopolitical interest which would have led to potential spill-over effects of instability into the EU’s territory must be given. The regionalisation of problem complexes is governed by the logic of functional necessity. These functional necessities thus produce on the regional level mechanism of collective problem resolution and the emergence of adequate organisational form (functionalism). Finally, the third precondition for successful engagement in conflict resolution is a reliance on historical nation building experiences most of the Western European states had made after the second world war and that it takes place within the OSCE region as a geographical/geopolitical space within EU enlargement is theoretically limited. At the beginning of the integration process actors formally agree (contractual arrangements) to solve problems within small sector-based issue areas (low politics) in a technocratic way. As cooperative management and problem solving approaches prove to be successful, they expand to other related functional task-areas and will finally spill over into genuinely political (high politics) issue areas, where they also initiate a gradual process of integration (neofunctionalism). The second and third condition reflect basically the idea of ‘peace by integration’.

I argue below that the aforementioned conditions have not worked during the 1990 in former Yugoslavia and in the latest Iraq case and in most of the past cases of conflict resolution outside the EU. Whether or not a crisis actually produces significant change depends of course on a number of other variables such as the existence of destabilizing factors and the available techniques for crisis management. But these preconditions tend to emphasize the inertia of political institutions. Therefore, it is important to note while not all crises lead to
important changes, not all significant changes are caused by crises: “A gradual shift in the rate of exchange between nations could ultimately have a profound effect on the system, despite small increments of change at any give point in time. The association of crisis with abrupt change also bears on its relationship to conflict. A conflict between parties that continues at a relatively constant level of intensity would not constitute a crisis, but a sudden shift in the level of hostilities – most notably from peace to war – would be a crisis at least for the subsystem comprised of the combatants” (Hermann 1969: 412).

The record of conflict resolution by the EU

In the development of a European conflict resolution, the pull from the outside world has been at least as important as the push from the politics of integration. The collapse of the Soviet bloc was clearly a major factor in the formulation of the CFSP and the European weakness in the Balkans and an increasing influx of refugees not only in Germany, which received 350,000 Bosnians during the war but also the second influx coming from the former Federal Republic of Yugoslavia as a result of the Kosovo-conflict affecting most of all Western European countries. This fact created not only a migratory pressure which pushed the EU MS to coordinate their refugee policies, but also led to the change especially in British policy in 1998 which open the way for introducing the European Security and Defence Policy (Hill 2002).

The treaties are the founding treaty of the European Economic Community (EEC), the Treaty of Rome, 1957, the Single European Act of 1987, which provided for cooperation in the sphere of foreign policy, the Treaty of Maastricht of 1992, which provided for a Common Foreign and Security Policy (CFSP) and the Treaty of Amsterdam of 1997, which gave an emphasise on stronger CFSP mechanisms and finally the Treaty of Nice of 2000 which introduced the flexibility clause into the second pillar. Undoubtedly, the EU’s failure to prevent the violent escalation of conflict in the former Yugoslavia “triggered an extensive debate about a reform of the CFSP that eventually led to a series of modest institutional reform” (Wagner 2003: 589).

But only after the Treaty of Amsterdam was signed in 1997 the EU started to develop its formal structures and instruments in the field of conflict prevention. For instance, the Policy
Planning and Early Warning Unit (PPEWU) established within the Secretariat General of the Council was charged with improving the EU’s early warning analysis by monitoring potential conflict situations and drawing the attention of member state governments to rising tensions at an early stage. Again it was the EU’s failure to prevent the violent escalation of conflict in the former Yugoslavia, which brought about new incentives to foster the visibility and representation of Europe’s foreign policy. Therefore the member states assign the position of a high representative to the Council’s Secretary General and so-called special representatives have been appointed for example in the region of the former Yugoslavia.

Parallel to legal and institutional developments, official statements which have interpreted the treaties, produced a growing soft law acquis within the second pillar which laid down practical advise for the implementation of newly introduced budget lines (Conseil de l’Union Européenne 2003). This include the Conclusions of the European Councils in Cologne of June 1999, in Helsinki in December 1999, in Feira June 2000, and in Göteborg June 2001: Following the Helsinki European Council 1999, it was agreed that the EU would develop a crisis management capability to take on the full range of Petersburg Tasks, defined as “humanitarian and rescue tasks, peace-keeping tasks and tasks of combat forces in crisis management, including peace-making” (Article 17.2. TEU, consolidated version). The decision incorporated both military and civilian aspects. Crisis management essentially falls within the remit of the second pillar, Common Foreign and Security Policy (CFSP), however many of the civilian aspects of crisis management are the competency within the first pillar (the European Community) with some even spanning the third pillar (Justice and Home Affairs). The Feira European Council in June 2000, identified four priority areas for developing civilian crisis management: police, the rule of law, civilian administration and civil protection. Concrete targets for the police were identified in Feira, while the Swedish Presidency’s report to the Göteborg Summit identified concrete targets for the rule of law and for civil protection. Finally, it was the Swedish Presidency in 2001 that has given considerable impetus to the conflict prevention function of the EU in cooperation with the Commission to work out and agree on an EU Program for Conflict Prevention at the Göteborg European Council in June 2001.

Original EU activities and organizations that concentrates on conflict prevention and management have evolved from a series of other activities and statements beginning in 1995 in the institutional context of the organisation for economic cooperation and development
(OECD), especially within the Development Assistance Committee on conflict prevention in which the EU played a crucial role (ICG 2001: 6). On the EU-level the first Common Position on “Conflict Prevention and Resolution in Africa” passed by the European Council in June 1997. Further policy papers have been launched in November 1998 by the Council’s reaffirmation of the “Role of development Cooperation in Strengthening Peace-Building, Conflict Prevention and Resolution”. Moreover, during the European Council meeting in Nice in December 2000 it agreed on “Improving the Coherence and Effectiveness of the European Union Action in the Field of Conflict Prevention”. Than in April 2001, the Commission tabled a relevant Communication on “Conflict Prevention”\(^5\) which paved the way for establishing a new policy field in CFSP.

Having said this, the EU’s capacity for conflict prevention benefit from an institutionalist perspective both the evolution of CFSP since its beginning in 1991 and the development of institutions and instruments in the context of the European Security and Defence Policy (ESDP). The latter emerged from the concept of the European Security and Defence Identity (ESDI) that was first used at the NATO summit in Washington in April 1999 to refer to a future European pillar within the Alliance. The fear of a spill-over-effect from the crises region and regarding Europe’s military dependence on the U.S. during the previous Balkan wars the EU agreed in June 1999 in Cologne that “the Union must have the capacity for autonomous action, backed by credible military force, with the means to decide to use them, and the readiness to do so, in order to respond to international crises without prejudice to actions by NATO”\(^6\). The new machinery required for crisis management ranges “from the key decision-making body, the Council’s Political and security Committee (PSC), which is composed of ambassadorial-rank diplomats of the fifteen member states, through to specialist units such as the EU Military Staff (EUMS), Military Committee (EUMC), Committee for the Civilian Aspects of Crises Management (CIVCOM) and an integrated civil-military Situation Centre. The Council Secretariat had also been reinforced by a Police Unit” (ICG 2002: 7).

In December 2001 at the Laeken summit, the European Council declared ESDP operational in form of the so-called Rapid Reaction Mechanism (RRM) and Rapid Reaction Forces to carry out crisis-management operations over the whole range of Petersberg tasks, which have been put in place since the TEU, representing the principle goals for use of military forces by the


\(^6\) European Council (Cologne) Conclusions, June 1999.
Following the argument of the impact that the Yugoslav conflict on the capacity building in EU’s crisis management, ESDP was put to the test for the first time at all in Bosnia and Macedonia. A few days after the Laeken summit, High Representative Javier Solana suggested an EU police force in Bosnia to take over from the UN International Police Task Force (IPTF), whose mandate ended in January 2003 and an EU military force “Operation Concordia” in Macedonia to take over from NATO’s Operation Amber Fox as well as the EU’s willingness to lead a military operation in Bosnia and Hercegovina following SFOR. All these operation are tangible proof of the Union’s commitment to the Western Balkans.

In the five countries of the Western Balkans at present, there is the closest match so far between EU aid and conflict prevention objectives which are subject to the overall Stabilisation and Association Process (SAP) of generous assistance aimed at stabilising them politically and economically, with the prospect of EU accession – the biggest carrot in the EU toolbox (Bendiek 2004).

The development of the EU’s conflict resolution capabilities was influenced by the terror attacks of September 11th 2001 but it was even more propelled by conflicts closer to its own borders such as the Kosovo war in 1999 and the Macedonian crisis in 2000/2001. Therefore it is argued that each external shock does not pull Europe towards greater deepening in CFSP and conflict resolution. It is more argued that the contemporary external environment presents complex factors, with forces operating in different directions: “from the point of view of the development of CFSP, it is largely neutral, containing some new opportunities, some pressures for unity (e.g. over the Arab-Israel conflict, where a single European view exists and remains only to be articulated more strongly), and some serious obstacles (such as the United States’ angry reactions to Germany’s [and France’s, A.B.] criticism of Iraq policy – and its implicit bid to speak for Europe” (Hill 2002). The disjunction between structures and policy remains, even in the midst of the Iraq crisis. This is not the first example that European foreign policy and capability of conflict resolution has not been developed in a major crisis as the EU’s failure of conflict prevention in the former Yugoslavia has proven. Therefore the question has still to be answered as to whether, when conditions of the external factor are favourable, Europe is able to take advantage of becoming an effective and efficient agency in conflict resolution.

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The EU as a Stability anchor in South Eastern Europe

In this section I illustrate that all of the aforementioned three conditions of an external factor helps explain why “the European Stability Pact for Central and Eastern Europe, but also the Royaumont Process on Stability and Good Neighbourliness in South Eastern Europe as well as the Stability Pact for South Eastern Europe, targeting the Balkans as Europe’s most volatile and conflict-prone region, are considered as useful and crucial initiatives in supporting the evolution of peace, stability and prosperity throughout the region” (Ehrhart 2003: 113). The Stability Pact for SEE comes originally from an initiative by the French Prime Minister Edouard Balladur in 1993 with the main targets being associated members of the EU from Central and Eastern Europe. It was implemented in a modified form by the foreign ministers of the EU as the first Joint Action under the newly introduced CFSP mechanisms. The project began in 1994 but the Pact was only adopted in March in 1995 (Ehrhart 2003: 114). It is crucial that the EU only launched the 1995 Stability Pact in reaction to the violent conflict in Bosnia-Hercegovina: “Thus, on 11 December 1995, the Council provisionally resolved a Joint Action for the Participation of the Union in the Implementation of the Peace Treaty for Bosnia-Hercegovina” (Ehrhart 2003: 116). On 13 December 1995 after the war and shortly before the Dayton Agreement in order to prevent other wars, the EU developed a regional approach to the countries affected, initialled the Royaumont Process on Stability and Good Neighbourliness in South Eastern Europe and was party of the so-called American initiative, the South Eastern European Cooperation Initiative (SECI). The Royaumont process covers the regional aspects as the Dayton Agreement. Not only was the Dayton implementation the priority in international engagement in the former Yugoslavia, also bureaucratic problems and a lack of coordination on the part of international donors and IGOs led to an unsuccessful implementation of the Royaumont process (Bendiek 2004). In late 1998, the Council agreed to launch a so-called common strategy in the framework of CFSP. With the escalation of the Kosovo conflict in 1998/99, causing loss of thousands of human lives, uncounted injured people and hundreds of thousands of refugees and displaced persons in the region and when NATO started to expel Yugoslav forces from Kosovo, the multilateral approach of the Stability Pact for SEE was initialled and put in place in June 1999 under German chairmanship. Germany held the rotating presidency of both, the EU and G8 at that time. But: why did the EU not act successfully before the outbreaks of these violent conflicts and why it did it do so with the Kosovo crises in 1999?
a) *The concept of state’s vulnerability*: A lot has been written on the institutional, structural, military and political failure of the EU in conflict prevention in former Yugoslavia. State’s vulnerability towards conflict resolution can vary in several ways exposed to the 1999 Kosovo crisis. For example, interactions between actors who have mostly been affected by refugee influx have been more active in the solution of the Kosovo crisis than actors who have had to accept less refugees. Importance should be attached to the point that the Pact was supported by a core group of countries. Special responsibility falls to the EU, whereas Germany, France, Austria, Greece, and Italy would have to show particular commitment because of “their specific interests in South East European stability and security” (Ehrhart 2003: 124).

First of all, the fact that these countries have been mostly affected by the four wars between 1991 and 1999 in SEE, with some of the worst atrocities and highest number of refugees and displaced persons since World War II, decision-makers realised that there had never been a coherent, long-term policy of conflict prevention in SEE. In a Common Position of 17 May 1999 the Council stated “a political solution to the Kosovo crisis must be embedded in a determined effort geared towards stabilising the region as a whole” and that therefore “a Stability Pact for South Eastern Europe should be prepared”. The EU expressed to play “the leading role in establishing a Stability Pact for South Eastern Europe”. Then the Council defined the aim “to help ensure cooperation among the countries in the region towards comprehensive measures for long-term stabilization, security, democratisation, and economic reconstruction and development in the region, and for the establishment of durable good-neighbourly relations among them, and the international community”. The German foreign minister, Joschka Fischer, explained on 10 June 1999 when the Pact was officially launched: “The previous policy of the international community vis-à-vis former Yugoslavia had two severe deficits: It concentrated on the consequences instead of on the sources of conflict, and it tackled the problems of the region individually and separately from the ones in other parts of Europe”.

Secondly, significant for the change of paradigm was the public at large in Western countries challenging their governments to do something against the humanitarian catastrophe. Especially, the newly established German red-green coalition was highly in danger of falling apart caused by the conflict between NATO and Yugoslav forces. Furthermore, “such a

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8 The Kosovo Crisis in 1999 was even selected as a case study to demonstrate the limits of IR theory in practice case study, see Baylis 2001.
development would not only have weakened the international community’s response to Milosevic, but could also have triggered similar developments in other coalition governments, such as Greece and Italy, where the military action was hotly disputed” (Friis/Murphy 2000: 17). Above all, the overlapping interests of the main protagonists France and Germany were as relevant to the success of the SP as the pressure created by the tight timeframe for negotiation within preventive diplomacy incorporated in a comprehensive strategy of conflict resolution and peace consolidation. I agree with Friis/Murphy (2000: 1) that the EU’s activism in conflict resolution cannot be understood within a purely rationalistic explanatory framework. It is evident that “EU governments took a number of decisions that seemed to directly contradict their interests. A core explanation for this was the pressure to respond quickly to the crisis” (Friis/Murphy 2000: 1) which had “a potential to set the European house on fire” (Busek 2004: 2).

b) The Pact’s heritage from the Helsinki process: Taking into account experiences of foreign assistance in Europe since World War II, “the SP was created as a continuing ‘intergouvernmental conference’ with a permanent secretariat based in Brussels” (Busek 2004: 2). The Pact is therefore based on key experiences and lessons from worldwide international crisis management. Conflict prevention and peace building can be successful only if they start in parallel in three key sectors: the creation of a secure environment, the promotion of sustainable democratic systems, and the promotion of economic and social well-being. Modelled after the three baskets of the former Helsinki process of 1975, today known as the OSCE there are three working tables which cooperate under the Regional Table (Stability Pact 2002: 2):

- Working Table I: Democratisation and Human Rights
- Working Table II: Economic Reconstruction, Co-operation and Development
- Working Table III: Security Issues (with two Sub-Tables: Security and Defence, and Justice and Home Affairs).

A Special coordinator chairs the Regional Table that is so to say the general assembly of all the SP participants, and its decision-making body. In theory, the decision-making process is driven by consensus and all beneficiary countries of the Western Balkans take part on equal footing; the ‘nation-building’ experiences of the EU. There is little doubt that the ‘interlocking institutions’ coming together under this multilateral forum of post-conflict

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9 A convincing argumentation in favour of the rationalist institutional choice analysis of European crisis management policy was written by Wagner (2003).
peace-building in SEE are cumbersome. The SP was specially mandated with coordinating the efforts of assistance to the Balkans amongst all the donors.

The EU is by far the single largest assistance donor. Since 1991, the EU has provided more than 6 billion Euro to the region through its various aid programmes. Further, to the east, Romania and Bulgaria together receive approximately 900 million Euro per year in pre-accession aid. A financial amount of 4,65 billion Euro was allocated for the period 2002-2006 to accompany and support the reforms of the countries concerned.

Therefore, European Commission and World Bank were appointed to coordinate the economic assistance measures for the region. They both chair a High-Level Steering Group in which the finance ministers of the G8 countries and the country holding the EU presidency work together with the representatives of international financial institutions and organisations and the Special Coordinator (Stability Pact 2002: 2). In exchange, the SEE countries are obligated to promote reforms and regional cooperation among each other. The yardstick is the framework of the SP improvements in the regional dimension. It provides in particular an essential bridge between the Eastern Balkans, the candidate countries in SEE, and the Republic of Moldova. The whole process of the SP was kick-started by a foreign ministers conference ‘the Sarajevo Summit’ in July 1999.

In theory the SP works in complementarity and in practice more or less in competition with the SAP of the EU (Bendiek 2004). For example, in respect to local democracy and cross border cooperation the SEE is the region with a legacy of centralised governments. The EU bases quite a few of its cohesion activities on functioning local and regional authorities. In order to install these capacities in the Balkans, the SP encourage Euroregion type set-ups across national borders, which can only become operational if capitals delegate some of their competences to the lower level. The Euroregions Sofia, Nis, Skoje or Ohrid-Prespa, involving Macedonia, Greece and Albania, are active example of Euroregions within the Stability Pact framework. Moreover, the European Commission and the SP have jointly launched an initiative for electricity and gas called South East Europe Regional Market. Having the experience after the second world war in mind that the main driving force behind the economic development of Western Europe was exports and free trade, in 15 months after the SP was initialled 21 bilateral free trade agreements between seven countries were negotiated, thereby enlarging small markets of national economies of between 2 million (Macedonia) and
22 million (Romania) consumers into a tariff free market of 55 million consumers (Busek 2004: 4).

In the following, it will be worked out that the EU’s self-understanding as an organization which has peace and democracy as its defining values was critical in determining the policy choices made and realised under the SP.

c) *The Pact’s spirit: ‘peace by integration’*: The Kosovo crisis emphasises that flexible boundaries are one of the defining characteristic of the EU’s role in Europe. As Chris Patten pointed out: “The Balkans are part of Europe. We are –as it were – in the same boat. Our past and our future are intimately bound together. Our peoples want the same things – peace, stability, high standards and decency in public life, freedom, prosperity and opportunity. We have a shared interest in working together to combat organised crime, to secure respect for minorities and to help build strong states in the region which are capable of protecting the interest of all their citizens and of being dependable and good neighbours” (Patten 2001: 2). On this basis, in the founding document, the EU, which has assumed a leading role in the SP, undertakes to draw SEE “closer to the perspective of full integration […] into its structures”. Moving towards European structures includes the possibility of membership of the EU. As a contribution to the SP an interim step toward membership was introduced, therefore the EU set up a new generation of (Stabilisation and Association Agreements (SAA)).

The EU signed the first SAA with Macedonia in April 2001. A similar agreement with Croatia was signed in October 2001. The opening and progress of negotiations for a SAA with Albania, the launching by the Commission of a feasibility study for a SAA with Bosnia and Herzegovina and the adoption in Serbia and Montenegro of the Constitutional Charter with the view to launching of a Feasibility Study for that country as well, illustrate the way towards inclusion in EU structures. Even in February 2003 Croatia applied for EU membership. At the summit meeting in Helsinki in December 1999, Bulgaria and Romania, which already have association agreements (Europe Agreements) with the EU, were admitted to full negotiations on membership with the EU in 2007.

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10 The conditions for the start of negotiations on such agreements are defined as follows: rule of law, democracy, compliance with human rights and minority rights, free and fair elections, full implementation of results, absence of discriminatory treatment, implementation of first steps of economic reform, proven readiness of good neighbourly relations, and compliance with the Dayton Agreement.

11 The conditions for concluding negotiations are: substantial progress in the achievement of the objectives of the conditions for the opening of negotiations, substantial results in the field of political and economic reforms, and proven cooperation and good-neighborly relations.
The framework of the EU’s approach is the so-called Stabilisation and Association Process (SAP). It is a step-by-step approach based on aid, trade preferences, dialogue, technical advice and, ultimately, contractual relations. The intention is to increase cooperation between the EU and the SAP-countries through a new instrument, the aid programme CARDS (Community Assistance for reconstruction, Democratisation and Stabilisation).

Respecting the criteria set by the Copenhagen European Council in 1993\(^{12}\) and the SAP conditionality, the EU’s approach applies the principles of ‘own merits’ and ‘catch up’ introduced by the Zagreb Summit of November 2000, in parallel with the regional approach, which remains the essential element of EU policy towards the region. The Commission prepares regular reports on compliance by the five countries on the basis of the criteria defined within the regional approach of 1997. The Regional approach is based, in particular, on political and economic conditionality, established by the General Affairs Council on 29 April 1997, compliance with which forms the basis for the development of bilateral relations with the EC in the field of trade, financial and economic assistance and contractual relations.

The driving force behind the SAP is the European and Euro-Atlantic perspective as they manifest themselves towards EU and NATO membership. This is the spirit ‘peace by integration’ which encourages political elites and sometimes disillusioned populations after decades of planned economic decline. Coming back to the point of why Western European countries started to engage in defining a sustainable conflict resolution policy towards this region, the fact that SEE populations have less incentives to emigrate or to turn to shady or illegal activities, “actually shifted the EU’s perception of its geopolitical boundaries” (Friis/Murphy 2000: 22). However, what makes the environment in which the SP is functioning unique, is the magnetic attraction of EU and NATO. And for this, there is not any convincing alternative or replacement if the EU want to apply its conflict resolution formula to other areas in the world. Therefore its capacity in conflict resolution is highly dependent on the capacity of actual shifts in boundaries. Logically the nature of the external factor is an important variable in EU conflict resolution outside its territory.

\(^{12}\) Stability of institutions guaranteeing democracy, the rule of law, human rights and the respect for and protection of minorities, the existence of a functioning market economy, the capability to cope with competitive pressure and market forces within the Union, and the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.
Long-Term Prospects: Conflict resolution in Coming Decades

Under which conditions is EU’s conflict resolution capability effective and what are the consequences for theorizing on European integration? Despite some achievements with the EU’s CFSP of the early 1990s, one may argue that the Iraq war best reflects Cameron’s concern in handling serious political crisis, especially those involving armed conflict, the Union has rarely acted as one effective actor (Cameron 1998). This paper has highlighted the EU’s conflict resolution capability under the Stability Pact for South Eastern Europe after the 1999 Kosovo crisis. Ongoing tensions in the Balkans and elsewhere in Europe “challenge the long-term goal of enlarging the European zone of stability, prosperity and democracy towards Eastern and South Eastern Europe. It is essential that violent conflict is prevented from erupting in these regions if a stable, undivided, and peaceful European environment is to be achieved” (Calic 1999: 11). In the aftermath of NATO’s war in Yugoslavia, determined to avoid a recurrence of conflict, the Stability Pact for SEE was launched in Cologne and Sarajevo in the summer of 1999 by 28 states and the main IGOs active in SEE. The countries of SEE were offered a new perspective on integration with Europe, most importantly the EU. Following a decade of reactive crisis management, the Pact was to be a turning point in the relationship between the EU and SEE countries. The European Council in Feira in June 2000 confirmed the objective of the fullest possible integration of the countries of the Western Balkans. The Copenhagen European Council in December 2002 reaffirmed this perspective. The enlargement will have a profound impact on the region’s future role, including its external role in conflict resolution. On June 21, 2003 at the EU-Western Balkans Summit in Thessaloniki clear political signals have been sent out: First of all, the EU is not tired of enlargement, and second a sustainable stabilization of the Balkans is still on top of the EU’s agenda. Both the perspective of a future accession to the EU and the SAP have been reinforced as important instruments for bringing the countries of the Western Balkans closer to the EU on the one hand and the commitment of the region itself to continue its efforts of reforms on the other.

Whether conflict resolution by the EU could be effective depends highly on the nature of the external factor. The following three conditions have to be hold:

1. A relative high interdependence-vulnerability of large states as a consequence of the influence of an external factor must be given which lead to the formation of a political management of conflicts and interdependence problems and mitigate conflicts through
means of regulation and control. Within that context, the SP and the specific role of the EU could be conceived of as a relatively effective security regime constructed for the management of conflict resolution in SEE.

2. As instability problems of regional or geopolitical proximities in Europe, due to their border-transgressing causes and consequences for policy-makers, cannot be resolved any longer by individual state action but require comprehensive solutions that encompass all actors, institution building in the sense of nation building as a conflict resolution method arises out of purely functional necessities. Therefore, EU-MS are transferring their experiences of nation building and European integration after the second world war as a conflict resolution method within the actual policy of conflict resolution in SEE.

3. The EU’s enlargement perspective as a possible way out of a crisis situation (1999 Kosovo crisis) is the third explanation for effective conflict resolution by the EU. As cooperative management and problem solving approaches prove to be successful, they expand to other related functional task-areas and will finally spill over into high politics issue areas, where they also initiate a gradual process of integration into EU structures. Political actors play a decisive role within this process of combining the requirements of problem solutions and adequate institutional provisions; they transfer their loyalties when they benefit from cooperation with the supranational level (sticks and carrots).

Against this background the interaction of internal and external dynamics of the EU-system manifest itself in a deepening of intergovernmental cooperation by supranational elements (SAA) under a multilateral framework (SP). In order to explain the development of such a “supranationality of intergovernmentalism” (Jørgensen 1997) and in this context a “supranational intergovernmentalism” (Bendiek 2004) the influence of an exogenous factor such as a crisis situation is relevant. Instead of being conceived of as a goal, the transfer of sovereign power is turned into a calculated instrument that serves a specific purpose to create a common institutional framework that improves the conditions for cooperative action.

Drawing on the development of “supranational intergovernmentalism” four fields of activity in the context of conflict resolution can be sketched out. The first field of activity encompasses the EU MS, the second the enlarged EU, the third is dealing with neighbouring countries of the enlarged EU and fourth and last field of activity is the EU’s global role. The
efficiency of the EU as an effective and efficient agent in conflict resolution decreases from the first level to the last one.

What external factor analysis can add to that picture is that conflict resolution capability is coalesced to the OSCE region and in implementing this policy empirical findings are best covered by the notion of a “supranational intergouvernementalism” because this could be one promising approach to the complex task of theorising change in European integration in general and its conflict resolution capability in particular.
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