

# DGAPanalyse

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## From the West of the Balkans to the “Rest of the Balkans”?

Effects of Croatia’s EU Accession on  
South Eastern Europe

by Theresia Töglhofer



## Summary

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Thirteen years after the European Council approved the Western Balkan countries as potential candidates for EU membership, Croatia became the first to join the EU on July 1, 2013. The “regatta principle,” which was chosen over the earlier regional approach, took full effect for the first time with Croatia. The following analysis addresses the potential effects of Croatia’s accession on the remaining candidate countries in South Eastern Europe and their association process. Could Croatia’s rise to the status of a member state bring the other accession hopefuls, looking to follow in Croatia’s footsteps, closer to the EU? Or does Croatia’s accession only form new divisions?

Croatia’s admission presents an important turning point in EU enlargement. The signal sent by the new EU member to both candidate countries and EU member states, as well as Croatia’s role as a new actor in EU enlargement policy, will be crucial in shaping the accession process of the remaining candidates. Moreover, the accession clearly illustrates the importance of the EU’s recent integration steps with the Western Balkans. Breaking down trade barriers, adopting EU norms and standards, and eliminating visa requirements have helped ensure that Croatia’s new status will not compromise its relations with the remaining candidate countries. Negative consequences, however, can be expected in those areas and states where the EU association process remains mired in the early stages. Croatia’s EU membership is a wake-up call for Bosnia-Herzegovina, which, facing the progressive EU integration of neighbor states, needs to step up its efforts to adopt the *acquis communautaire*.

Without abandoning the competitive nature of the regatta principle, the EU should develop a balanced approach towards relations with all states in the region, keeping a close eye especially on the candidates whose integration process is lagging behind.

## Zusammenfassung

# Vom Westlichen Balkan zum »restlichen Balkan«?

## Auswirkungen des kroatischen EU-Beitritts auf Südosteuropa

von Theresia Töglhofer

Dreizehn Jahre nachdem der Europäische Rat die Länder des Westlichen Balkans zu potenziellen Kandidaten für eine EU-Mitgliedschaft erklärte, konnte Kroatien am 1. Juli 2013 als erster Staat der Region der EU beitreten. Das Regattaprinzip, dem der Vorzug gegenüber dem regionalen Ansatz gegeben wurde, kommt damit erstmals in voller Konsequenz zum Tragen. Die vorliegende Analyse geht der Frage nach, welche Auswirkungen Kroatiens Aufnahme in die Europäische Union für die verbleibenden Beitrittsanwärter Südosteuropas und deren EU-Annäherungsprozess mit sich bringt. Vermag Kroatiens Aufrücken in die Ränge der Mitgliedstaaten auch jene Länder, die Kroatien über kurz oder lang in die Union nachfolgen sollen, näher an die Europäische Union heranzubringen – oder führt dieses vielmehr zur Schaffung neuer Trennlinien?

Kroatiens Beitritt stellt eine wichtige Zäsur für die EU-Erweiterungspolitik dar. Die Signalwirkung, die von Kroatiens Mitgliedschaft an die Kandidatenländer sowie an die EU-Mitgliedstaaten ausgeht, aber auch das Verhalten Kroatiens als neuer Akteur in der EU-Erweiterungspolitik werden für deren zukünftige Ausgestaltung wegweisend sein. Darüber hinaus wird angesichts der aktuellen Erweiterung die Bedeutung der in den letzten Jahren erfolgten EU-Integrationsschritte mit den Staaten des Westlichen Balkans klar ersichtlich. Denn der Abbau von Handelsbarrieren, die Übernahme von EU-Normen und -Standards und die Abschaffung der Visumpflicht tragen maßgeblich dazu bei, dass die Beziehungen zwischen dem neuen Mitgliedstaat und den Beitrittsanwärtern keine substanziellen Beeinträchtigungen erfahren. Negative Auswirkungen sind im Gegenzug vor allem in jenen Bereichen und auf jene Länder zu erwarten, wo sich die EU-Assoziierung nach wie vor in einer frühen Phase befindet. Insbesondere für Bosnien-Herzegowina ist Kroatiens Beitritt ein Weckruf, dass es angesichts der fortschreitenden EU-Integration der Nachbarstaaten in der Übernahme des *Acquis communautaire* Schritt halten muss.

Für die EU bedeutet dies, dass sie – bei Beibehaltung des wettbewerbsfördernden Regattaansatzes – auf eine ausgewogene Entwicklung ihrer Beziehungen mit allen Staaten der Region achten und besonderes Augenmerk auf die Nachzügler im Integrationsprozess legen sollte.

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# From the West of the Balkans to the “Rest of the Balkans”?

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### Introduction

“The future of the Balkans is within the European Union,” declared the EU’s heads of state and government at the Thessaloniki summit in June 2003.<sup>1</sup> For Croatia, this future began on July 1, 2013. Thirteen years after the start of the Stabilization and Association Process (SAP) for the countries of the Western Balkans,<sup>2</sup> and ten years after the promise of membership was affirmed at the Thessaloniki summit, the first of the accession hopefuls joined the ranks of member states.

The enlargement under the regatta principle upon which the SAP was based thus finally took full effect. In contrast to the expansion to the states of Central and Eastern Europe, which joined the European Union en bloc in 2004, the accession process for the applicants from South Eastern Europe has followed an individual approach. The speed of EU association depends on reforms carried out by each state to implement the political and economic criteria and adopt the *acquis communautaire*. While the EU *rapprochement* thus found its common starting point for all states in 2000, today the picture is much more varied. Montenegro is the only country of the Western Balkans that began negotiating its entry in 2012. While the European Council has offered to begin accession talks with Serbia in 2014, in Macedonia’s case, its name dispute with Greece has delayed the start of negotiations since 2009. Three additional accession hopefuls in the region, Albania, Bosnia-Herzegovina and Kosovo, have not yet been granted EU candidate status by the Council.<sup>3</sup>

Although the association process for (potential) accession candidates in South Eastern Europe is oriented towards their individual progress, Croatia’s accession to the EU is not without consequence for the other states in the region. While on the one hand, it sends a positive signal to the remaining accession hopefuls, on the other hand, whether the new EU member turns out to be a model student or a problem child will significantly influence the attitude of member states towards further accessions from the region. At the same time, Croatia itself now has the right to participate in decision-making in all policy areas, including the EU’s enlargement policy towards the accession candidates in the Western Balkans, whose ranks it so recently left.

In key areas of the EU integration process, including the free movement of people and goods, relations between Croatia and the other states of the region will take new forms. While Croatia’s Schengen accession, initially planned for 2015, will open its border with its northern neighbors, the new member state will become the guardian of the EU’s longest external border, with Montenegro, Bosnia-Herzegovina and Serbia. As far as economic relations, Croatia’s accession to the EU internal market means that the country has left the common Central European Free Trade Agreement (CEFTA 2006). In addition, in the lead-up to Croatia’s accession, a number of longstanding differences and some bilateral issues gained new relevance, especially in regard to borders, transit and trade.

How will these changes concretely affect other states in the region and their process of accession to the European Union? Could Croatia's rise to the rank of member state bring other states, looking to follow Croatia into the Union sooner or later, closer to the EU? Or will Croatia's accession only create new divisions, as symbolized by the 1,377-kilometer-long EU external border, which will now run between the new member and its South Eastern neighbors?

Croatia's entry clearly highlights the significance of the EU accession process for the states of the Western Balkans and the progress achieved in recent years. This has enabled Croatia to join the EU without separating itself from the region—as will be shown by a closer look at two core aspects of the EU integration process, freedom of travel and trade, as well as in regard to the resolution of bilateral issues. In contrast, the problems arising from Croatia's accession are rooted in areas in which states lag in adopting EU standards and where basic principles, such as good-neighborly relations, are not sufficiently observed.

## From the West of the Balkans to the “Rest of the Balkans”

The “Western Balkans” are a recent invention by the European Union. The phrase was crafted in the late 1990s together with the Stabilization and Association Process (SAP). It included, under the heading “successor states of Yugoslavia minus Slovenia<sup>4</sup> plus Albania,” all the states of South Eastern Europe that had had no prospect of entering the European Union up to then.

Thirteen years after this regional descriptor entered EU terminology, Croatia's accession has shifted the border between the Western Balkans and the European Union. Croatia will no longer appear in the European Commission's annual enlargement package assessing steps towards reform in the Western Balkan states, or in the Council's conclusions on EU enlargement. While it is unusual for a region to shrink, this is inherent in the definition of the Western Balkans, which is based not on geographic

but on political criteria. Ultimately, the relationship between the states involved and the European Union determines whether they are part of the Western Balkans.

With Croatia's accession, the problem inherent in the terminology becomes particularly clear. If we follow the logic of the definition, the regatta principle will lead the Western Balkans to shrink bit by bit with each successful accession candidate—first Croatia, and in a few years possibly the most promising candidate, Montenegro. Thus the Western Balkans will be reduced to the stragglers in the association process that do not fulfill the requirements for EU membership, and therefore cannot yet join the ranks of member states.<sup>5</sup> As Dimitar Bechev argues, “To put it crudely, being Balkan means being a European who falls short of the normative expectations that make up ‘Europeanness.’”<sup>6</sup> The discursive separation between the countries of the European Union, on the one hand, and those of the Western Balkans, on the other, builds upon a stereotypical distinction between “Europe” and the “Balkans” that has a long tradition in European intellectual history.

Not least for this reason, belonging to the Western Balkans has had a negative connotation since the term was introduced. Especially in Croatia, the idea of belonging to the Balkans in general, and to the Western Balkan states in particular, has always been rejected.<sup>7</sup> But even in the other countries categorized as the Western Balkans, the term is hardly popular.<sup>8</sup> Rather than gradually removing successful candidates for EU membership from the Western Balkans, therefore, Croatia's accession could be a welcome occasion for the EU and its member states to shelve this unfortunate regional terminology.

## Croatia as EU Member State—Help or Hindrance?

For Croatia, its accession to the European Union marks a significant change in status. While as an accession candidate, it had to adhere to rules and requirements prescribed by the EU—through successive fulfillment of the accession criteria and

adoption of the *acquis communautaire*—now it also has a say in formulating and deciding upon EU policies. One area in which this will have a direct impact on the states of South Eastern Europe is the enlargement policy. At the same time, Croatia's entry into the EU sends a signal in two directions—to the remaining accession hopefuls and to the member states.

### The Dual Signals Sent by Croatia's EU Accession

In the past weeks and months, emphasis on the positive signal sent by Croatia's entry into the EU has become the dominant narrative surrounding the most recent enlargement. Political decision-makers in Croatia and other countries of the region, as well as representatives of the European Union and its members, have been unanimous in interpreting the country's accession as an important signal to the remaining accession candidates that actual EU membership really does lie at the end of a successful process of reform and association.<sup>9</sup> After all, Croatia is the first country among the Western Balkan states for which the EU promise of accession in 2000 has actually become reality.

This message may have little concrete substance. Each state must resolve its own individual problems in the association process—whether in the areas of political criteria and economic consolidation or in regard to bilateral issues. The crisis in the eurozone has not made the enlargement project any more popular with member states, among either political decision-makers or the public at large.<sup>10</sup> At the same time, a number of accession hopefuls are failing to make progress in the association process. Thus Croatia's entry into the EU comes at the right time. It lends the enlargement policy the momentum it lacks elsewhere. It invites member states and candidates alike to look beyond the problems in their own backyard—the immediate problems of the EU and its enlargement policy—and to recall the founding principle that turned the original enlargement procedure into a real policy of enlargement: the promotion of transformative processes towards democracy and market economy and, especially after the conflicts of the 1990s, lasting stability in the Western Balkans.

Croatia's entry—no longer just heralded, but now accomplished—could lead decision-makers, civil society organizations and citizens of South Eastern Europe to question their own countries' progress towards accession, and thus increase pressure on governments to show their people perceptible results regarding EU harmonization. If one's neighbors progress in their preparations for accession, it will become more politically costly to neglect EU-relevant reform agendas in one's own country. Thus it is an interesting coincidence that, shortly after the signing of Croatia's accession agreement in December 2011, Bosnia-Herzegovina adopted laws on state aid and census taking that had been strongly urged by the EU, after there had been little movement on the issues for two years.<sup>11</sup>

At the same time, the signal sent by Croatia to the EU member states is also crucial. In the course of the previous enlargement, in 2007, two states were accepted—Romania and Bulgaria—that continue to be deficient in the areas of rule of law and corruption-fighting. Worrisome tendencies that undermine democracy can similarly be seen in other “new member states,” while in the context of the economic and debt crisis, even longtime EU members have demonstrated shortcomings on reform. Given these developments, the very narrative of the transformative power of the European Union is increasingly being called into question.<sup>12</sup> The new member Croatia thus gets little benefit of the doubt. According to one German newspaper prior to Croatia's accession, Croatia could become the “next Bulgaria.”<sup>13</sup> But the comparison is flawed. Croatia's accession process was subject to significantly stricter reform requirements—including those related to rule of law, which were part of the negotiations under the new Chapter 23 on Judiciary and Fundamental Rights. The country was also subject to pre-accession monitoring by the European Commission until the accession treaty entered into force.<sup>14</sup>

This ended on July 1, 2013, but Croatia will still be closely observed even after its accession. If the judicial or corruption-fighting reforms should indeed be rolled back, or should disputes with neighboring countries impede their EU association process, this will have a negative effect on the

remaining accession hopefuls. In that case, Croatia's EU membership could change from a positive signal to accession candidates that membership is truly possible after the necessary reforms, to a negative signal to other EU states that they should demand an even greater degree of preparation. This would further reduce confidence in the transformative power of the enlargement process invoked by the European Commission, and thus also decrease interest in acceptance of new members.<sup>15</sup>

### Croatia as a New Actor in EU Enlargement Policy

Beyond the question of how Croatia acquits itself as a new member state, the country will also have a direct influence on the EU association of the remaining (potential) accession candidates.

Croatia, which has a strong interest in stability in the Western Balkans, helps the cause of pro-enlargement member states. For many reasons, it favors rapid continuation of the enlargement process in South Eastern Europe. Two decades after independence, Croatia remains linked to the other former Yugoslav republics by a multitude of ties, be they historic and linguistic similarities, trade relations, or human contacts. Many Croatian citizens live outside the country's borders, in Serbia, Montenegro and especially Bosnia-Herzegovina.<sup>16</sup> The majority of Bosnian Croats, who make up around 17 percent of the total Bosnian population,<sup>17</sup> possesses Croatian passports. Unlike the other two constituent peoples of Bosnia-Herzegovina, Bosniaks and Serbs, they have been EU citizens since July 1, 2013.

Croatia has no desire to remain the permanent guardian of the EU's 1,377-kilometer-long external border with Bosnia-Herzegovina, Serbia and Montenegro. Particularly in a difficult socio-economic context, the loss of EU accession prospects or a hesitant EU membership process would provide fertile soil for renewed nationalism. Not only for security reasons, but also from the perspective of identity, it would be problematic for the country to be a permanent "border nation." This position could lend momentum to political forces inside the country that promote divisions between Croatia and its southern neighbors, and could revive old

myths about Croatia as Europe's last bulwark.<sup>18</sup> It is also in the interests of the Croatian economy to promote trade relations and the position of Croatian businesses through rapid EU association of the remaining states in the region.

Against this background, it can be expected, and is repeatedly emphasized by representatives of the Croatian government, that the other states of the Western Balkans will find in Croatia a strong advocate for their EU accession. Croatia has also declared its intention to make the experience it has gained in the accession process, and its expertise in various areas of reform and the building of state institutions, available to other accession hopefuls in the Western Balkans, as well as in North Africa and Eastern Europe. This task is carried out by the Center for Excellence in the Croatian Foreign Ministry.<sup>19</sup>

At the same time, however, Croatia's change in status to EU membership has created an asymmetry in its relationship and influence in regard to the remaining accession candidates in South Eastern Europe. Since decision-making in the field of enlargement policy requires unanimity, each member state has the de facto opportunity to block the association process with a candidate state. While this option is problematic, because it lends the accession process an element of arbitrariness and thus subverts the accession conditionality defined by the EU, some member states have used it in the past to further their particular interests. Croatia itself experienced this in 2008–2009, when Slovenia blocked accession negotiations for months because of a border dispute. While both parties agreed to an arbitration tribunal and the border dispute could thus be removed from the Croatian accession process, it remained unclear till the end whether Slovenia would ratify the accession treaty. The reason was a dispute over Slovenia's Ljubljanska Banka, whose bankruptcy in the early 1990s meant that Croatian customers lost their hard-currency accounts. Not until March 2013 were Prime Ministers Janez Janša and Zoran Milanović able to overcome their differences with the signing of a memorandum. As with the border dispute, this led to agreement only on the method of conflict resolution, but not on the substance.

Croatia, for its part, has announced its intention not to use its membership as a means of pressure against the remaining accession candidates. In a “Declaration on the Promotion of European Values in Southeast Europe” on October 21, 2011, the Croatian parliament affirmed that, as an EU member, its country would continue to advocate progress in the enlargement process and that open bilateral issues (such as border disputes) would not be an obstacle to EU accession—from the beginning of the accession process to the time the accession treaty goes into force.<sup>20</sup> Of course, there is no guarantee that Croatia will adhere to this declaration in all situations. The fact that South Eastern Europe’s rapid EU integration is fundamentally in Croatia’s interests does not rule out the possibility that the country will use its veto against an accession candidate to strengthen its position in a concrete bilateral dispute. After all, Slovenia is also an advocate of the EU enlargement policy. The same is true of Greece, which has blocked the opening of accession talks with Macedonia since 2009 because of the name dispute. At the same time, Greece showed its interest in giving the accession process new momentum by calling during its Council presidency for a Western Balkans summit in the first half of 2014, during which concrete accession dates for the states in the region would be set.<sup>21</sup>

The likelihood of new obstacles ultimately depends on whether cooperation or confrontation characterizes Croatia’s policies towards its neighbors in the coming years. The signs in Zagreb currently point clearly towards cooperation. The country’s EU integration is so far supported by all its major political camps. Now that Croatia has acceded, however, it is no longer necessary for everyone to act in concert in order to achieve this foreign policy goal. Should nationalist, Euro-skeptic forces gain influence in the years to come, this could also encourage a less compromising stance towards Croatia’s neighbors.

## Bilateral Questions: Solutions with Limited Scope

Numerous open bilateral issues persist even after Croatia’s accession that could lead to disputes

should the political climate worsen. None of Croatia’s borders with the neighboring former Yugoslav republics is fully demarcated. In addition, the country’s accession to the European Union required new regulation of a number of border, export and transit questions. While the EU insisted on resolution of these existing issues in order to guarantee smooth implementation of the *acquis communautaire*, it has not made clarification of longstanding issues with neighboring states, especially those involving common borders, a condition.

## Unresolved Issues from Yugoslavia’s Disintegration

Croatia has border issues not only with member state Slovenia, but also with its three South Eastern neighbors, Bosnia-Herzegovina, Serbia and Montenegro. Efforts have been made to resolve these, for example through joint border commissions, but most of these initiatives have come to a standstill in recent years.

An agreement on the border between Croatia and Bosnia-Herzegovina was signed by presidents Franjo Tudjman and Alija Izetbegović in July 1999 at a meeting of the Stability Pact for South Eastern Europe. While it was the first border treaty between two successor states of the former Yugoslavia, it was called into question by both sides not long after its signing, and it has not taken effect to this day. Points of dispute include the Klek peninsula and the two small Adriatic islands of Mali Školj and Veliki Školj, as well as the course of the Una along the border near Kostajnica.<sup>22</sup> In the summer of 2012, the Milanović government attempted to renew efforts to ratify the treaty, but it encountered resistance from the conservative Croatian Democratic Union (HDZ), which has been in the opposition since the last parliamentary elections.

Croatia and Montenegro disagree on ownership of the Prevlaka peninsula, which lies along their common border. In 2002, an interim solution was negotiated under which Prevlaka remained part of Croatian territory, while Montenegro gained rights over the surrounding waters. In 2008, the two parties finally agreed to leave the final demarcation of

the border to the International Court of Justice (ICJ). However, the case has not yet been referred to the ICJ. After meeting with his Croatian counterpart, Montenegrin Foreign Minister Igor Lukšić announced his intention of resolving the matter through direct negotiations.<sup>23</sup>

Differences between Serbia and Croatia over their common Danube border are geologically determined. Over the years, the river has changed its course. The focus of the dispute is the question whether the border (as Serbia argues, with reference to international practice) continues to follow the main course of the Danube, or whether it should include the 14,000 hectares of territory on what is now the other side of the river. The issue is not just the border, but maritime rights. Other unresolved issues also strain relations between Zagreb and Belgrade: Both states, relying on the UN Convention on the Prevention and Punishment of the Crime of Genocide, have brought claims before the ICJ stemming from crimes committed in the Croatian war of 1991–1995, as well as in World War II.

Bilateral relations were severely tested by the change in Serbian leadership. In summer 2012, Tomislav Nikolić, known in the 1990s as a nationalist hardliner, won the Serbian presidential elections, and immediately annoyed his neighbors by statements viewed as affronts in Zagreb and Sarajevo.<sup>24</sup> For its part, Serbia reacted with outrage at the acquittal of the Croatian defendants Ante Gotovina and Mladen Markač by the Appeals Chamber of the Hague Tribunal in November 2012, after they had been sentenced to long prison terms by the Trial Chamber. This low point in relations between Zagreb and Belgrade, however, did not last long. After a meeting of their foreign ministers in March 2013, the two states announced the creation of a Serbian-Croatian commission that would deal with unresolved issues such as investigation of war crimes, missing persons, property questions and the mutual accusations of genocide.<sup>25</sup> And while the Croatian president, Ivo Josipović, had stayed away from the inauguration of Serbian president Nikolić the year before, Nikolić attended the ceremonies for Croatia's EU accession in July 2013. This rapid restoration of relations between Zagreb

and Belgrade should be seen positively. It creates favorable conditions for resolving even sensitive bilateral issues.

### The Neum Coastal Area: Creative Solutions Needed

In addition to these bilateral disputes, most of which emerged from the disintegration of Yugoslavia, Croatia's approaching accession also lent various border, export and transit issues renewed currency and urgency. In a number of rounds of negotiation, the European Commission mediated solutions for Croatia and Bosnia-Herzegovina that ensured, among other things, that existing agreements between the two countries would harmonize with community law.

Open questions crystallized particularly in the border region around the Bosnian coastal city of Neum, where the Croatian coastline is bisected for some nine kilometers by Bosnia-Herzegovina's only access to the sea. The southern part of the county of Dubrovnik-Neretva thus forms a Croatian exclave that can be reached by land only through Bosnian territory, with the corresponding border controls. The fact that the Bosnian portion of this closely interwoven section of coastline has been outside the European Union since July 1, 2013 lends the situation additional complexity.

In order to connect this southern exclave with the rest of its territory, Croatia initially intended to build a bridge to the Pelješac peninsula. Bosnia-Herzegovina opposes the plan, in part because it could impede its access to the open sea. Work on the bridge began in 2005, but it was stopped last year by the new Social-Democratic government for reasons of cost, and the contracts with the consortium involved were terminated. A feasibility study financed by the EU will now examine the bridge option and alternative infrastructural solutions, such as the creation of a hinterland corridor.<sup>26</sup>

Bridge-building was not the only subject of trilateral talks with the European Commission. Croatia's EU membership also required harmonizing transit regulations through the Neum corridor, as well as

those covering transport of goods from Bosnia-Herzegovina to the port of Ploče, on Croatian territory. During transport through the Neum corridor, goods leave the European Union for a distance of around nine kilometers. To avoid additional border controls upon returning to Croatia, goods will in future be transported in closed vehicles, identified with a seal, and will cross the Neum corridor within a specific transit time. This measure is intended to prevent goods from Bosnia-Herzegovina that do not meet EU standards from entering the European Union through the Neum corridor.<sup>27</sup>

Also, certain goods from Bosnia-Herzegovina will in future make their way through Croatian territory in sealed vehicles for export through the port of Ploče. This regulation, for which the EU had to agree to change the *acquis communautaire*, makes it possible for Bosnia-Herzegovina to continue to export goods that do not meet EU standards to third countries. Conversely, to ensure food safety, all goods imported into Bosnia-Herzegovina through Ploče must conform to EU standards.<sup>28</sup>

The close proximity of EU and non-EU territory, as found in the Croatian-Bosnian coastal region, is a particular challenge to the *acquis communautaire*. It has made special regulations necessary that must ensure that the EU regulatory system is upheld, on the one hand, without imposing additional burdens on the movement of people and goods through Croatian or Bosnian territory, on the other.

### Pragmatism without Foresight

All the parties involved have shown a great deal of pragmatism in dealing with bilateral issues. Solutions were found primarily for specific issues when this was unavoidable, given Croatia's approaching accession—such as transit issues surrounding the Neum corridor or local border traffic.<sup>29</sup> However, the momentum of Croatia's EU accession was not used to settle more wide-ranging or longstanding bilateral differences, such as those related to the delimitation of borders.

The existence of fully demarcated borders is not absolutely necessary for the protection of the new EU external border; after all, the border is not

guarded along a single line, but in a broad border area patrolled jointly by both states' border guards. Thus for Croatia and its neighbors, there is no immediate need, and no pressure from the European Commission, to find a solution to the open border issues.<sup>30</sup>

True, in its 2012–2013 enlargement strategy and in its progress reports on individual accession candidates, the Commission has voiced regret that no significant progress has been achieved in solving open bilateral questions.<sup>31</sup> It “urges parties to make every effort towards solving outstanding disputes in line with established principles and means, including referring issues as appropriate to the International Court of Justice or other existing or ad hoc dispute settlement bodies.”<sup>32</sup> At the same time, however, the Commission has refrained from making the resolution of bilateral disputes a subject of accession conditionality for Croatia. The Commission's principle that the accession process must not be delayed by bilateral issues seems to have given way, in this case, to the idea that Croatia's accession process should not be delayed by the search for solutions to bilateral issues. In regard to the open border issues, the Croatian foreign ministry has emphasized that this will not be an obstacle to accession for its neighbors.<sup>33</sup> In case of doubt, however, Croatia, as an EU member, will now have the upper hand in all bilateral questions involving accession candidates.

## The 1,377-Kilometer External Border through South Eastern Europe

For Croatia, according to Prime Minister Zoran Milanović, acceptance into the Schengen Area is the next goal after successful EU entry. While Croatia originally envisaged becoming part of the Area as early as 2015, it has since acknowledged that this will take more time.<sup>34</sup> In practice, travelers from the states of South Eastern Europe will hardly notice Croatia's EU and future Schengen accession when crossing the external border. Nevertheless, the course of the new EU border through the heart of South Eastern Europe has symbolic weight that goes beyond the Schengen *acquis*.

## Extending Schengen Southward

Croatia had almost completely adopted the Schengen acquis by the time of its EU accession, and this became binding when the accession treaty went into force. The issue now is its implementation in the monitoring of the external border. This requires acquisition of technical equipment, improvements in infrastructure and administrative capacity, and recruitment of additional border police. The EU is supporting the implementation of the Schengen acquis and external border control with a temporary Schengen Facility. Croatia will receive 120 million Euros from it by the end of 2014.<sup>35</sup>

Should the European Council decide unanimously to accept the country into the Schengen Area, this would mean the lifting of border controls for Croatia on the borders with its EU neighbors Slovenia, Hungary and Italy. The new Schengen external border would thus run through South Eastern Europe for a distance of 1,377 kilometers, with over 1,000 kilometers between Croatia and Bosnia-Herzegovina alone. Given the current state of preparations and the lack of a reform dynamic in Bosnia-Herzegovina, EU accession for the country can be expected to be a medium- to long-term proposition, and the external border between the two states will thus be of longer duration.

For the average Bosnian, Serbian or Montenegrin citizen crossing the new EU external border, few new barriers will be raised in practice. It is crucial that the visa requirement for visits of up to 90 days was lifted for Serbia, Macedonia and Montenegro in 2009, and for Albania and Bosnia-Herzegovina in 2010. Unlike Schengen accession for the countries of Central and Eastern Europe in December 2007, which was linked with a strict visa regime for travelers from Ukraine, Belarus and the Republic of Moldova, Croatia's EU entry will not lead to new visa restrictions for citizens of South Eastern Europe. This fact clearly demonstrates the significance of the association process with the EU that has taken place over the past decade. For the populations of the countries involved, visa liberalization was an essential step in moving visibly closer to the European Union. It prevented Croatia's EU accession from limiting mobility for members of

neighboring states—which had no border regimes between them until Yugoslavia's disintegration.

Kosovo is an exception, however, and is still negotiating with the EU on lifting the visa requirement. Not least due to problems with international recognition of their state, citizens of Kosovo can only travel to five countries in the world without a visa—Albania, Macedonia, Montenegro, Turkey and the Maldives.<sup>36</sup> Even before Croatia's EU accession, citizens of Kosovo had to apply for a visa, and in future they will need a Schengen visa.

Croatia's EU accession brings changes for Bosnia-Herzegovina regarding travel to Croatia. A treaty between the two states had made such travel possible with a personal identification card, but this does not conform to EU law. In the lead-up to its accession, Croatia had asked that it be allowed to retain the regulation even after July 1, 2013 and petitioned the Irish Council presidency for a corresponding change in the Schengen acquis. However, the EU member states would not agree to this proposal. From the Croatian perspective, retaining the existing regulations would have sent a signal that the country's entry into the European Union did not raise new barriers between Croatia and Bosnia-Herzegovina, as had been feared. Allowing Bosnian citizens to continue to enter with only a personal ID would also have meant that the distinction between citizens with a Croatian passport (and thus EU citizenship) and those with non-EU passports would be of less consequence. The practical result of the new passport requirement will be felt concretely by many travelers: 70 percent of border crossings to Croatia, according to the Bosnian authorities, have been made up to now with only personal IDs. At the same time, some 40 percent of Bosnian citizens do not yet have biometric passports.<sup>37</sup>

However, exceptions are made for citizens living in border regions. With a special permit, they can cross the border even at crossing points not meant for international travel and without a passport. For this purpose, Croatia had to harmonize its existing agreements with neighboring states with the EU's regulation on local border traffic. Negotiations on revision of the local border regime with Bosnia-Herzegovina took place until the last minute before

the treaty was finally signed in Brussels on June 19. According to estimates, some 30,000 Bosnian citizens may have a claim to a special permit.<sup>38</sup>

### The Border as a Symbol

Even though the EU external border often has a reputation for impermeability, in practice, the Croatian border on July 1, 2013 certainly did not seem like a fortress for travelers from the Western Balkans. In addition to the factual aspect, the new external border nevertheless also has inherent symbolic weight. The border between Croatia and Bosnia-Herzegovina, according to Croatian president Ivo Josipović, must not become a new “Chinese Wall” after July 1, 2013.<sup>39</sup> His predecessor Stjepan Mesić used the image of an “Iron Curtain of Schengen” that had to be prevented from coming into being.<sup>40</sup>

These statements do not refer primarily to the Schengen border itself, but instead point to the necessity of continued political and economic cooperation and cultural exchange. The EU’s external border stands as a symbol of division and separation, going far beyond the Schengen acquis. It physically reflects the difference between EU and non-EU, the emergence of higher fences, and the fact that Croatia belongs to the Union, while the remaining accession candidates must for now remain outside—and thus also the fear that the region’s EU integration will falter and the new border will establish a permanent dividing line.

### Trade Relations: From CEFTA 2006 to the Single Market

Trade between Croatia and the remaining accession candidates will also now take place under different conditions. With its entry into the EU single market on July 1, 2013, Croatia left the Central European Free Trade Agreement (CEFTA 2006) for the countries of the Western Balkans and Moldova. While the provisions of this free trade treaty applied previously to Croatia and its trade partners in the region, now trade relations will be based on the Stabilization and Association Agreements

between the European Union and (potential) candidate countries.

In most areas, Croatia’s move will bring no significant changes for existing trade regimes among the states of the region. Under both CEFTA 2006 and the Stabilization and Association Agreements, trade has been largely liberalized. However, exceptions include agricultural products, which make up a significant portion of the trade among the countries in the region. For Croatia’s exports to the CEFTA states, in particular, this could mean higher customs duties. Conversely, trade partners wishing to export to the Croatian market will need to meet the relevant EU standards. Bosnia-Herzegovina is not ready for this and will have to deal with significant export losses.

### Higher Customs Duties for Croatia

Some 60 percent of Croatia’s trade in 2011 was with the European Union. The CEFTA states, at 19 percent, and especially neighboring Bosnia-Herzegovina and Serbia are also important export markets for Croatian products. Conversely, some 6 percent of Croatian imports came from trade partners in CEFTA 2006, here too mainly Bosnia-Herzegovina, Serbia and Macedonia.<sup>41</sup>

Croatia’s switch from CEFTA 2006 to the EU single market creates a new asymmetry in its trade relations with other states in the region. On the basis of preferential trade measures anchored in the Stabilization and Association Agreements, they can continue to export their products to Croatia duty-free. As concerns exports from Croatia, however—which were until now largely duty-free or subject to reciprocal duties with the CEFTA states—some products could be subject to higher duties. Membership in the single market would thus mainly make it more difficult for Croatia to export to the region.

This affects in particular, though not exclusively, trade in agricultural products, which makes up a quarter of Croatia’s overall trade within CEFTA. Higher duties could lead to higher prices for certain Croatian products—such as beverages, flour, milk and meat products—so that they will become less

attractive to consumers in the South Eastern European states. The market share lost to Croatia in this way could be taken over by Serbia, which will continue to export to the region under the more favorable conditions of the CEFTA agreement.<sup>42</sup>

However, the amount of the duties varies depending on the level of implementation of the Stabilization and Association Agreements in the respective countries. While Serbia will have eliminated all transitional regulations for duties on industrial and certain agricultural products by the end of 2013, for Bosnia-Herzegovina higher duties with longer transitional periods continue to apply. For exports to Kosovo, which has not yet concluded an association agreement with the EU, a single duty of 10 percent is now applied to Croatian goods. In practice, the Croatian economy will hardly feel this. Exports to Kosovo make up only a small fraction of Croatia's overall trade, at 0.7 percent.<sup>43</sup>

Croatia may not have to suffer from the export disadvantages arising from higher duties. To avoid new duties on Croatian products and take into account the traditional preferential trade regime between Croatia and the members of CEFTA 2006, the European Commission is negotiating an adaptation of the duties and quotas contained in the Stabilization and Association Agreements. While adjustments should have been in place as of the day of Croatia's accession to the EU, negotiations with its two main trading partners Serbia and Bosnia-Herzegovina have proven difficult. Bosnia-Herzegovina, in particular, is strongly opposed to a more rapid lifting of duties, since it would like to continue to protect its market from agricultural imports from the EU.<sup>44</sup>

### EU Export Standards: Increasing Pressure on Bosnia-Herzegovina

While the states of the Western Balkans continue to trade with the EU country of Croatia without new duties, a non-tariff obstacle to trade exists that makes exports to the European Union more difficult. This affects mainly one category of products and one country: Because Bosnia-Herzegovina does not meet EU standards on food safety and in the veterinary field, it cannot export animals or ani-

mal products, and a range of other food products, to the EU. Since July 1, 2013, this also applies to exports to Croatia.

But Croatia is Bosnia-Herzegovina's most important trading partner and, after Germany, the most important export market for Bosnian products. No less than 14.8 percent of Bosnian exports went to Croatia in 2012. Food products and live animals valued at around 70 million Euros were exported to its neighbor, and thus made up over a tenth of its export income from trade with Croatia.<sup>45</sup> Fish, animal skins, and more recently also honey are the only products of animal origin for which Bosnia-Herzegovina meets the relevant requirements for import into the EU single market. All other animal products that Bosnian producers exported to Croatia until recently have been unable to cross the new EU border since July 1, 2013. Forty million liters of milk annually alone—60 percent of Bosnian milk production—are thus shut out of the Croatian market until Bosnia-Herzegovina implements EU export standards. In return, Bosnia-Herzegovina has imposed an import ban on products from over 50 meat producers from Croatia, arguing that they do not meet EU standards either.<sup>46</sup>

The problem had been evident for some time—after all, Croatia completed accession negotiations with the European Union in June 2011. The EU had pressed Bosnia-Herzegovina repeatedly to accelerate adoption of the necessary food and veterinary standards for exports to the EU and to improve its administrative structures, so as to be able to continue exporting agricultural products to its neighbor even after Croatia's entry into the single market. But the political authorities began too late to introduce the necessary measures.<sup>47</sup>

With the adoption of the so-called Hygiene Package in November 2012, the legal framework was put in place to construct a monitoring system for the food chain under the principle “from farm to fork.” But it has faltered in its implementation, which must be examined by the Food and Veterinary Office of the European Commission before issuance of export permits. The introduction of EU standards requires their adoption into law at the state level, as well as at the level of entities and

cantons, cooperation among institutions at the various administrative levels, and establishment of a clear command and control chain in the production of animal products. Given the complex administrative structure in Bosnia-Herzegovina, with its often unclear distribution of responsibilities and lack of political will to cooperate across entity and party lines, the fulfillment of these requirements is far more difficult than in other accession countries. Thus in the final months before Croatia's accession, it had already become apparent that Bosnia-Herzegovina would not receive any export permits for additional animal products from the European Commission by July 1, 2013. The delay in adopting standards that were essential for the Bosnian economy indicates once again the structural problems of the Bosnian state, which are an obstacle to its association with the EU in other areas as well.<sup>48</sup>

The Bosnian Foreign Trade Chamber estimates at 22 million Euros a year the losses suffered by the country because of the export ban on animal products.<sup>49</sup> The Bosnian economy will be able to partially offset these losses in other ways—for example, by substituting the domestic market for the European one and opening up new export markets within CEFTA 2006 or in other third states. Nevertheless, the fact cannot be ignored that the stagnation evident for several years in its association process with the European Union has brought concrete negative consequences for the country's economic development. In contrast to other areas of the EU pre-accession process for Bosnia-Herzegovina, this involves conditions on which the EU can make no concessions. There can be no lowering of standards or exceptions in regard to food safety. Croatia's EU accession is thus a wake-up call to Bosnia-Herzegovina that there is no way around implementation of the necessary EU laws if it wishes to avoid increasing isolation, for example on trade issues. This raises the pressure on the country for reform.

## Conclusions

Croatia's accession to the European Union on July 1, 2013 marked an important turning point for EU enlargement policy, the effects of which none of

the remaining accession hopefuls in South Eastern Europe can escape. In Croatia, the accession candidates in the region have gained another "ally" among the EU member states. The entry of the first state from the "Western Balkan" group could encourage them to accelerate their movement towards the EU and strengthen constructive competition among the states of the region to follow Croatia into the Union as quickly as possible. From the point of view of stabilization, Croatia's accession also signals a definitive retreat from a policy of calling into question the rights of other national groups or the territorial integrity of its neighbors. In this sense, Croatia has moved the entire region closer to the EU.

At the same time, Croatia's accession to the EU means a great deal is at stake for the remaining (potential) accession candidates. Should the new member state demonstrate obvious deficiencies in rule of law or other policy areas, or should it block the association process for an accession candidate because of a bilateral conflict, the standards for current candidate countries will be set considerably higher. Croatia's EU accession thus brings both the chance of closer association with the EU for other accession hopefuls and the possibility of separation from them—but it creates no inevitability in either direction. How these chances are used concretely will depend on domestic developments in Croatia as well as in other states in the region, and the importance governments place on building good neighborly relations and on an EU-oriented reform agenda.

In regard to trade and borders, no new restrictions have been placed on exchange, aside from specific problem areas. This can be ascribed above all to the fact that the remaining accession candidates are already closely connected to the EU in many ways. The dismantling of trade barriers, the adoption of legal norms and the elimination of visa requirements have greatly advanced the EU integration of the states in the region from the start of the Stabilization and Association Process. Many forms of regional cooperation, for example in the areas of energy and transport, go hand in hand with harmonization with EU standards.<sup>50</sup> Where the countries of the region already have close ties to the EU, Croatia's entry creates no new dividing lines. Conversely, problems arise in those areas where

association differences among the states involved are all too great. The export problems in trade with Bosnia-Herzegovina—because of new customs barriers on the Croatian side and failure to meet EU export standards on the Bosnian side—or the continuing visa requirement for Kosovar citizens illustrate this clearly.

The regatta principle has proven advantageous because it creates individual reform incentives for accession hopefuls and at the same time encourages competition among the states of the region. However, the case of Croatia clearly demonstrates that EU integration for the states of South Eastern Europe cannot be viewed separately. The successive accession of candidate countries can only happen without major distortions if, at the same time, all states can demonstrate a certain level of success in fulfilling the political and economic criteria for EU accession and the adoption of the *acquis communautaire*. In this spirit, enlargement policy must take care not to run out of success stories by only integrating those states into the EU for which the process is easier, while paying less attention to overcoming the difficulties with weaker accession candidates.

Many contentious issues, especially with regard to borders, remain between Croatia and its neighbors since July 1, 2013, and they will continue to strain relations to varying degrees. The EU should be more consistent in calling for solutions, in accordance with the principles laid out in the enlargement strategy and the conditionality of good neighborly relations. The foreign ministers of Croatia, Serbia and Montenegro have announced new initiatives following bilateral meetings, in the course of which sensitive subjects are intended to be addressed. Bosnia-Herzegovina and Croatia were similarly able to deal with a range of complex issues in trilateral discussions with the European Commission in the run-up to Croatian accession. The momentum to find solutions to other open issues before they turn into disputes is thus favorable.

Naturally, it will not be possible to eliminate all potential sources of conflict among the states of

the region. Therefore, what is needed is a strong consensus among EU member states that one-sided blocking of the accession process in the Council is not an acceptable means of strengthening one's own position in existing disputes with an accession candidate. Here we can envision employing a mediation mechanism that would automatically take effect in cases of bilateral blockade. Guided by the European Commission, this mechanism could offer affected states a forum, parallel to the Stabilization and Association Process, for putting aside differences; at the same time, only the fulfillment of the accession criteria would be determinative for enlargement-related decisions.

It is also in the EU's interest to dismantle divisions on the symbolic level. Croatia's EU accession ushers in a transition from the "Western Balkans" to the "rest of the Balkans" and underscores the problems inherent in the phrase. Rather than progressively reducing the region of the Western Balkans to those accession candidates that are not yet ready to join the EU, Croatia's accession could be a welcome occasion to quietly discard the unpopular regional descriptor. Instead, it would make sense to speak of the "accession candidates of South Eastern Europe" or "candidate countries of South Eastern Europe."<sup>51</sup> In contrast to Western Balkans, such a regional description would already include a reference to Europe. This would also allow a type of teleological interpretation of the enlargement process, according to which some states of South Eastern Europe are already members of the European Union, while others find themselves in various phases of the accession process. This would strengthen a narrative that was very much present in the enlargement towards Central and Eastern Europe and to which representatives of German foreign policy also referred on the occasion of Croatia's EU accession: Croatia's EU membership is a clear step "on the long road to reunification of our continent";<sup>52</sup> without the Balkans, the EU remains incomplete.<sup>53</sup> The EU's enlargement policy in South Eastern Europe would certainly benefit from this sort of positive charge.

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## Notes

- 1 *EU-Western Balkans Summit – Declaration*, 10229/03 (Presse 163), Thessaloniki, 6/21/2003.
- 2 These include Albania, Bosnia-Herzegovina, Croatia, Macedonia, Serbia, Montenegro and Kosovo. Montenegro left its federation with Serbia amicably in 2006. Kosovo has been under UN administration since 1999; its 2008 declaration of independence has not been recognized by around half of all countries worldwide, including Serbia, the permanent members of the UN Security Council Russia and China, and the five EU states Greece, Romania, Spain, Slovakia and Cyprus.
- 3 Bosnia-Herzegovina and Kosovo have not yet applied for accession, while Albania's application in April 2009 is still awaiting positive assessment by the Council.
- 4 Slovenia signed a Europe Agreement as early as June 1996 and became a member in 2004 as part of the fifth round of enlargement to the states of Central and Eastern Europe.
- 5 See also Florian Bieber, "The Western Balkans are Dead. Long Live the Balkans. Democratization and the Limits of the EU," in Vedran Dzihic/Daniel Hamilton, *Unfinished Business. The Western Balkans and the International Community* (Center for Transatlantic Relations), Washington, DC 2012, pp. 3–11.
- 6 Dimitar Bechev, *Constructing South East Europe. The Politics of Balkan Regional Cooperation*, Basingstoke 2011, p. 80.
- 7 This is illustrated, for example, by polls conducted by the Gallup Balkan Monitor, in which only 10% of the Croats polled said they identified extremely strongly or very strongly with the Balkans, while over a third denied this. The picture was very different in Serbia, where 37% of those asked felt that they belonged to the Balkans, while 11.4% felt no connection to this description (Gallup Balkan Monitor 2012, <<http://www.balkan-monitor.eu/index.php/dashboard>>, accessed on 6/1/2013).
- 8 See Nikolaos Tzifakis, "EU's region-building and boundary-drawing policies: the European approach to the Southern Mediterranean and the Western Balkans," in: *Journal of Southern Europe and the Balkans Online* 1/2007, <[http://www.tandfonline.com/toc/cjsb19/9/1#Uhl\\_ZOCv3y0](http://www.tandfonline.com/toc/cjsb19/9/1#Uhl_ZOCv3y0)>.
- 9 See, e.g., Guido Westerwelle/János Martonyi, "Ohne den Balkan ist die EU noch unvollendet," in: *Die Welt*, Meinung, 11/22/2012, <<http://www.welt.de/debatte/article111398592/Ohne-den-Balkan-ist-die-EU-noch-unvollendet.html>> (accessed on 11/23/2012); see European Commission, *Enlargement Strategy and Main Challenges 2012–2013*, COM(2012) 600 final, 10/10/2012, S.3; see Speech to the DGAP by the Deputy Serbian Prime Minister for European Integration, Suzana Grubješić, 6/12/2013, <<https://dgap.org/de/node/23870>> (accessed on 6/13/2013).
- 10 In Eurobarometer polls from 2006 to 2010 in the member states, supporters and opponents of future enlargement were about even, with supporters at around 43–46% and opposition at around 40–45%. However, in fall of 2011, public support for new enlargement had sunk to 36%, while 53% of those polled opposed enlargement (Standard Eurobarometer 76, 10–11/2011). Support in the "old member states" was much lower. Thus in fall 2012, 73% of Germans opposed entry of new members, along with 72% in Austria, 70% in Luxemburg, and 68% in France (Standard Eurobarometer 78, 11/2012).
- 11 See Heinrich Böll Stiftung, *Croatia: Stopover or the final destination of EU Enlargement in the Western Balkans?* (Expert conference), Berlin, 10/19/2012.
- 12 See Dimitar Bechev, *The periphery of the periphery: the Western Balkans and the euro crisis* (ECFR Policy Brief, No. 60), Paris, 8/2012; see also Ritsa Panagiotou. "The European Union's Balkan Enlargement: How Will it be Affected by the Global Economic Crisis?" (Conference on Leaving Europe's Waiting Room. Overcoming the Crisis of EU Enlargement in the Western Balkans, University of Graz), Graz, 11/9/2012.
- 13 Clemens Wergin, "Die EU lernt nicht dazu," in: *Die Welt*, 4/3/2013, <[http://www.welt.de/print/welt\\_kompakt/debatte/article114952528/Die-EU-lernt-nicht-dazu.html](http://www.welt.de/print/welt_kompakt/debatte/article114952528/Die-EU-lernt-nicht-dazu.html)> (accessed on 4/5/2013).
- 14 In the case of Croatia, it is problematic that rule of law issues were only on the agenda in the final phase of accession negotiations. Thus Chapter 23 was opened in June 2010 and already closed at the end of accession negotiations in June 2011. The EU responded by ensuring that, in future negotiations, Chapter 23 (Judiciary and Fundamental Rights) and Chapter 24 (Justice, Freedom, Security) would be opened at the beginning of negotiations and would be among the last closed. The new method is already being applied to Montenegro.
- 15 See interview with Werner Weidenfeld. Davor Butković, "Bude li Hrvatska problem u Uniji, proces proširenja bit će

- trajno zaustavljen,” in: *Jutarnji List* (Magazin), 4/6/2013, p. 25.
- 16 In the census in 2011, 57 900 in Serbia and 6021 in Montenegro declared themselves Croats, making up around 0.8% and 1% of the entire population (Census data 2011: Statistical Office of Montenegro, <<http://www.monstat.org/>>; Statistical Office of the Republic of Serbia, <<http://webrzs.stat.gov.rs>> (accessed on 6/15/2013).
- 17 The last official census in Bosnia-Herzegovina took place in 1991 and registered some 4.2 Million residents, of which some 43% were Bosniaks, 31% Serbs, 17% Croats and 5% Yugoslavs. The census originally planned for 2011 was postponed repeatedly and was finally held from 1–15 October 2013.
- 18 See Dejan Jović, “Croatian EU Membership and the Future of the Balkans,” in: Dzihic/Hamilton, *Unfinished Business*, op. cit. (note 5), pp. 208 s; see also Neven Budak, “Croatia Between the Myths of the Nation State and of the Common European Past,” *Myth-Making and Myth-Breaking in History and the Humanities* (conference report, University of Bucharest), Bucharest, October 6–8, 2011, pp. 51–72.
- 19 See Adelina Marini, “Croatia Wants To Share Its Eurointegration Experience with its Neighbours,” in: *EU Inside*, 3/6/2013, <<http://www.euinside.eu/en/news/croatia-will-share-its-euro-integration-experience-with-the-region>> (accessed on 5/2/2013).
- 20 See Declaration on the Promotion of European Values in Southeast Europe, in: *Official Gazette of the Republic of Croatia*, No. 121/11, 10/21/2011.
- 21 See Greek Ministry of Foreign Affairs, “External Relations – Enlargement,” <<http://www.mfa.gr>> (accessed on 8/28/2013).
- 22 See Amer Kapetanović, *EU – Hrvatska – BiH. Kako je deset godina stalo u jednu* (Foreign Policy Initiative—Political Analysis 4), Sarajevo 2013, <[http://www.vpi.ba/upload/documents/kako\\_je\\_10god\\_stalo\\_2d.pdf](http://www.vpi.ba/upload/documents/kako_je_10god_stalo_2d.pdf)> (accessed on 4/23/2013); see also Rosa Balfour/Dijana Spasić, *A Bridge over troubled borders. Europeanising the Balkans* (EPC Policy Brief), Brussels, 11/2010.
- 23 See Milena Milošević, “Montenegro Acts to Solve Border Dispute With Croatia,” in: *Balkan Insight*, 3/21/2013, <<http://www.balkaninsight.com/en/article/montenegro-to-form-commission-for-solving-prevlaka-dispute>> (accessed on 6/2/2013).
- 24 Thus during the presidential campaign, Nikolić said in an interview with Germany’s *Frankfurter Allgemeine Zeitung* (FAZ) that Vukovar had been a “Serbian city” to which Croats should not return. Interview with Tomislav Nikolić. Michael Martens, “Die Serben durften nicht entscheiden, wo sie leben sollten,” in: *FAZ*, 5/19/2012, <<http://www.faz.net/aktuell/politik/ausland/wahl-in-serbien-die-serben-durften-nicht-entscheiden-wo-sie-leben-wollen-11750937.html>> (accessed on 5/20/2012).
- 25 See “Serbia, Croatia to Tackle War Crimes, Missing Persons,” in: *Balkan Insight*, 3/5/2013, <<http://www.balkaninsight.com/en/article/serbia-croatia-form-joint-commission-for-open-issues>> [sic] (accessed on 4/6/2013).
- 26 See Croatian Ministry of Maritime Affairs, Transport and Infrastructure, “Premijer Sanader otvorio radove na projektu Pelješac,” 11/10/2005, <<http://www.mppi.hr/default.aspx?ID=1208>> (accessed on 6/12/2013); see also Toby Vogel, “Croatia seeks to bridge the gap,” in: *European Voice*, 9/13/2012, <<http://www.europeanvoice.com/article/imported/croatia-seeks-to-bridge-the-gap/75117.aspx>> (accessed on 2/24/2013); Elvira M. Jukić, “Bosnia Pledges Partnership with Croatia on Border Issues,” in: *Balkan Insight*, 9/19/2012, <<http://www.balkaninsight.com/en/article/bosnia-pledges-partner-relation-with-croatia-over-peljesac-bridge>> (accessed on 9/20/2012).
- 27 Treaty Concerning the Accession of the Republic of Croatia to the European Union, signed on 12/9/2011, Annex V/5/IV: Neum.
- 28 See Speech by Enlargement Commissar Štefan Füle, “Croatia – Bosnia and Herzegovina: Agreements on border management signed.” SPEECH/13/557, 6/19/2013. On the issue of EU export standards, see Section 5: Trade Relations: From CEFTA 2006 to the Single Market.
- 29 On matters of local border traffic, see Section 4: The 1,377-Kilometer External Border through South Eastern Europe.
- 30 See Interview with Filip Dragović, UNDP Regional Advisor and former representative of the Croatian Ministry of the Interior, Zagreb, 4/24/2013.
- 31 See European Commission, Serbia 2012 Progress Report, SWD(2012) 333 final, 10/10/2012, p. 21; see also European Commission, Montenegro 2012 Progress Report, SWD(2012) 331 final, 10/10/2012, p. 17; European Commission, Enlargement Strategy 2012–2013, op. cit. (note 9), p. 9.
- 32 European Commission, Enlargement Strategy 2012–2013, op. cit. (note 9), p. 9; see also European Commission, Enlargement Strategy and Main Challenges 2013–2014, COM(2013) 700 final, 10/16/2013, p. 13.
- 33 See Dražen Remiković, “Despite unresolved borders, Balkan countries can enter EU,” in: *Southeast European Times*, 7/30/2012, <[http://www.setimes.com/cocoon/setimes/xhtml/en\\_GB/features/setimes/articles/2012/07/30/reportage-01](http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/articles/2012/07/30/reportage-01)> (accessed on 3/1/2013).
- 34 See “PM: Schengen A Priority For Croatia,” in: *Croatia Week*, 12/14/2012, <<http://www.croatiaweek.com/pm-schengen-a-priority-for-croatia>> (accessed on 2/14/2013); see also “Prime Minister Milanovic: Croatia to apply for Schengen membership in two years,” HINA, 9/26/2013, <[http://www.vlada.hr/en/naslovnica/novosti\\_i\\_najave/2013/rujan/premijer\\_milanovic\\_na\\_danu\\_policije\\_zadvice\\_godine\\_apliciramo\\_zaschengen](http://www.vlada.hr/en/naslovnica/novosti_i_najave/2013/rujan/premijer_milanovic_na_danu_policije_zadvice_godine_apliciramo_zaschengen)> (accessed on 10/15/2013).

- 35 Treaty Concerning the Accession of the Republic of Croatia to the European Union, signed on 12/9/2011, Art. 4; European Commission, Monitoring Report on Croatia's accession preparations. COM(2013) 171 final, 3/26/2013, p. 11.
- 36 See Kosovar Foreign Ministry, "Visas for Kosovo citizens," <<http://www.mfa-ks.net/?page=2,70>> (accessed on 7/17/2013).
- 37 See Interview with Representative of the Croatian Foreign Ministry, Zagreb, 4/24/2013; see also Interview with Filip Dragović, UNDP Regional Advisor and former representative of the Croatian Ministry of the Interior, 4/24/2013; Kapetanović, *EU – Hrvatska – BiH*, op. cit. (note 22).
- 38 See Speech by Štefan Füle, European Commissioner for Enlargement and European Neighbourhood. "Croatia – Bosnia and Herzegovina: Agreements on border management signed," SPEECH/13/557, 6/19/2013; "Dobre i loše strane ulaska Hrvatske u EU," in: *EurActiv Serbia*, 5/3/2013, <<http://www.euractiv.rs/eu-i-zapadni-balkan/5783-dobre-i-loe-strane-ulaska-hrvatske-u-eu>> (accessed on 5/4/2013).
- 39 Anadolu, "EU Croatia Won't Leave Balkans Isolated, Josipovic," in: *Balkan Insight*, 3/22/2013, <<http://www.balkaninsight.com/en/article/balkans-won-t-be-isolated-after-croatia-joins-eu-josipovic-says>> (accessed on 3/23/2013).
- 40 Interview with Stjepan Mesić. Vedran Horvat, "Ex-Präsident Kroatiens: 'Die Tür zur Europäischen Union offenhalten'" (Heinrich Böll Stiftung), Berlin, 10/17/2012, <<http://www.boell.de/weltweit/europanordamerika/europa-nordamerika-stjepan-mesic-interview-15715.html>> (accessed on 2/14/2013).
- 41 56.4% of all Croatian imports from CEFTA states came from Bosnia-Herzegovina, 29.7% from Serbia and 12.5% from Macedonia. Exports to Croatia were 16% of Bosnia-Herzegovina's total trade, and around 3% each of Serbia's and Macedonia's. See CEFTA Trade Statistics 2011, <<http://108.167.173.132/~cefta/sites/default/files/CEFTAProzent202011Prozent20STATS.pdf>> (accessed on 5/4/2013); see European Commission, Statistical Data of DG Trade 2011 <[http://ec.europa.eu/trade/policy/countries-and-regions/statistics/index\\_en.htm](http://ec.europa.eu/trade/policy/countries-and-regions/statistics/index_en.htm)> (accessed on 6/15/2013).
- 42 See CEFTA Trade Statistics 2011, <<http://108.167.173.132/~cefta/sites/default/files/CEFTAProzent202011Prozent20STATS.pdf>> (accessed on 5/4/2013); Maja Poznatov/Ivana Pavlović, "Izlazak Hrvatske iz CEFTA – prilika za Srbiju," in: *EurActiv Serbia*, 1/23/2012, <<http://www.euractiv.rs/eu-i-zapadni-balkan/3474-izlazak-hrvatske-iz-cefta-prilika-za-srbiju-.html>> (accessed on 2/2/2013); *EurActiv Serbia*, "Dobre i loše strane ulaska Hrvatske u EU," 5/3/2013, <<http://www.euractiv.rs/eu-i-zapadni-balkan/5783-dobre-i-loe-strane-ulaska-hrvatske-u-eu>> (accessed on 5/4/2013).
- 43 My own calculation, based on data from the Croatian Statistics Office, Foreign trade in goods statistics of the Republic of Croatia 2012, <[http://www.dzs.hr/default\\_e.htm](http://www.dzs.hr/default_e.htm)> (accessed on 6/15/2013).
- 44 Written response to author from European Commission, DG Trade, 9/12/2013; see European Commission, Statement on the negotiations with Bosnia and Herzegovina on the bilateral trade regime after the accession of Croatia to the EU, 8/2/2013, <<http://europa.ba/News.aspx?newsid=5820&lang=EN>> (accessed on 8/2/2013).
- 45 See Agency for Statistics of Bosnia and Herzegovina, Foreign Trade in Goods Statistics 2012, Sarajevo, 1/21/2013, Vol. VIII, No. 12, pp. 4/17.
- 46 See Foreign Trade Chamber of Bosnia and Herzegovina, *Analiza efekata pristupanja Republike Hrvatske Evropskoj uniji na Bosnu i Hercegovinu*, Study, 11/2011, p. 3; Populari, "An Affair of Animal Welfare. Is BiH Willing to Keep Hurting its Economy?" in: *Policy Brief*, 11/2012, <<http://www.populari.org/files/docs/8.pdf>> (accessed on 5/2/2013); EU Delegation Sarajevo, "Bosnia and Herzegovina's honey accredited for export to the EU," 4/16/2013, <<http://www.delbih.ec.europa.eu/News.aspx?newsid=5660&lang=EN>> (accessed on 5/25/2013); Elvira M. Jukić, "Bosnia to Maintain Croatia Import Bans," in: *Balkan Insight*, 8/2/2013, <[http://www.balkaninsight.com/en/article/bosnia-to-maintain-croatia-import-bans?utm\\_source=Balkan+Insight+Newsletters&utm\\_campaign=df413a4d8b-BI\\_DAILY&utm\\_medium=email&utm\\_term=0\\_4027db42dc-df413a4d8b-308268809](http://www.balkaninsight.com/en/article/bosnia-to-maintain-croatia-import-bans?utm_source=Balkan+Insight+Newsletters&utm_campaign=df413a4d8b-BI_DAILY&utm_medium=email&utm_term=0_4027db42dc-df413a4d8b-308268809)> (accessed on 8/2/2013).
- 47 See Conclusions of the General Affairs Council, 12/11/2012, § 54; Foreign Policy Initiative, The Republic of Croatia's Accession to the European Union (Foreign Policy Initiative—Political Analysis 1), Sarajevo, March 2012, p. 10.
- 48 For an illustration of the problem, see Populari, "An Affair of Animal Welfare," op. cit. (note 46), see also Interview with Representative of the European Commission, April 2013.
- 49 See Duljko Hasić, Foreign Trade Chamber of Bosnia and Herzegovina, quoted in Elvira M. Jukić, "Bosnian Exports Already Hit By Croatian EU Membership," in: *Balkan Insight*, 7/31/2012, <<http://www.balkaninsight.com/en/article/bosnian-export-already-hit-by-croatian-eu-membership>> (accessed on 8/1/2012).
- 50 See Bechev, *Constructing South East Europe*, op. cit. (note 6), p. 107.
- 51 Strictly speaking, in the Stabilization and Association Process, only those states whose applications for EU membership have already been positively assessed are defined as "candidate countries."
- 52 Speech by Minister of State Michael Georg Link before the German Bundestag, 2/1/2013.
- 53 Westerwelle/Martonyi, "Ohne den Balkan ist die EU noch unvollendet," op. cit. (note 9).





