



Croatia and Serbia - The Political Upheaval and Its Repercussions

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The pejorative image of the „Balkans“ as a grouping of states with a common heritage and a common destiny captures less and less the complex reality of heterogeneity and diversification in this corner of Europe. Self-differentiation is the guiding principle today. We have reached a fragile transition phase, in which the decades of nationalism and warmongering clearly belong to the past, yet the new identity of the region is evolving only under stress and pain. Given the past decades of socio-economic malaise, suppression of civil society and nationalist fervent, this is hardly surprising. Setbacks had to be anticipated, even more than in the transforming countries of Central Eastern Europe. And as always, image change only hesitantly follows political change.

Today, remarkable progress crystallizes next to fatiguing stagnation and depressing drawbacks. Unfortunately, the poles in the “Western Balkans” can be clearly identified, without wanting to draw a black and white picture: Croatia on the one hand, Serbia on the other, with the rest of former Yugoslavia and Albania caught in-between. We have become used to the gulf between the “Western” and the “Eastern Balkans”, underlined in 1989/90 when both sub-regions embarked on fundamentally different political

courses. Compared to the other Central European EU candidates, the reform progress for Bulgaria and Romania was slow, due not least to the ambivalent, top-down nature of the coup d’etats in both countries in 1989 - events hardly comparable with the bottom-up peaceful revolutions in Poland, Czechoslovakia and elsewhere. However, Bulgaria will probably manage to enter the European Union in January 2007 (Romania still with a serious question-mark), whereas the “Western Balkan” countries lost almost a decade by war and turmoil.

We have also become used to the detachment of Slovenia, which managed in 1991 to escape after only nine days of war from the “Balkans” and asserted itself as one of the most rapidly reforming countries of Central Europe. What is more recent is the breath-taking and apparently now rewarded effort of Croatia to catch up with Bulgaria, Romania and Slovenia and thus to make good ten years of isolation and stagnation. The recent invitation by the outgoing Prodi Commission to start accession negotiations with Croatia is both a tribute to the dedicated reform efforts of both the former Racan and the new Sanader government as well as a signal to the other “Western Balkan” countries that there is a realistic perspective of EU membership also for them. In a few years time, Croatia

and Slovenia might be well ahead of Bulgaria and Romania economically, but also concerning their political standing in the Euro-Atlantic institutions.

The invitation for Croatia is coming in troubling times. The electoral victory of the Serbian Radical Party in the parliamentary elections of December last year and the agonizing establishment of the backward-looking minority government of Vojislav Kostunica (dependent on the good will of the old Milosevic party SPS), compounded by the violent outburst in Kosovo in March this year, are not only serious, but strategic setbacks. A certain disorientation, not to say helplessness in how to deal with this Serbia is recognizable. It is not improbable that Serbia might follow the semi-authoritarian path of Putin’s Russia or Kutschma’s Ukraine, thus

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isolating itself once again, alienating its neighbours and motivating Montenegro and Kosovo to even more vigorously drive for independence. Much will depend on how long Kostunica's Government manages to stay in power. Anyway, those who played in recent years with the card of trying to forge a joint Croatian-Serbian ticket into the Union are refuted by reality. The gap between Belgrade and Zagreb is widening, in all respects, frustrating all efforts to embrace Serbia by financial assistance and political indulgence. The honeymoon for Serbia is definitely over.

The invitation for Croatia has therefore also a motivational aspect, all the more since the November parliamentary elections in Croatia brought back to power the HDZ, which not only carried out the authoritarian nationalism of the Tudjman era, but was in turn stigmatized especially by Brussels (much less by Washington) throughout the 1990s as a troublemaker not much less war-instigating than Milosevic's SPS. That the Prodi Commission only half a year after the HDZ rose to power overcame its deep-rooted initial suspicion and resolutely decided to trust this however reformed HDZ is a proof how much Brussels is looking for tangible success after

four years of drawing the region nearer to the EU. It is at the same time the most forceful sign that the enlargement process will go on after 1 May 2004. The "missing link" between the Stabilization and Association Process and the enlargement process is finally filled. That Croatia is able to jump from the SAP into the accession negotiations without having to wait the entire six-year duration of its Stabilization and Associations Agreement is completed is an inspiration for others.

Thus, the old North-South divide of former Yugoslavia is asserting itself again, being only temporarily blurred in the 1990s. It is the former prosperous North of Yugoslavia, which finally appears to depart from the South and embark on a vigorous course of Euro-Atlantic integration. The sanctioning of this, at least temporary detachment of Croatia from Serbia by the EU is most relevant. Both countries today earn what they worked for: Croatia reaps the fruits of four years of persistent, even if not unambiguous reform efforts; Serbia has manoeuvred itself into a blind alley, which it can only leave by another, complete political U-turn. A significant risk is that the dividing line between Slovenia and Croatia

and the South might become a permanent one. Croatia has, unfortunately, in recent years displayed an attitude towards its Southern neighbours, which is not helpful to overcome this gap. The "away from the Balkans" attitude is still predominant. To keep the SAP dynamic and avoid a situation where Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia remain in a nowhere land, will need a lot of stamina and statesmanship by the new Commission. For the dividing line we are talking about dates back to Rome and Byzantium, the Habsburg and the Ottoman Empire. The overcoming of this division still lies ahead.

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Croatia on the Road to European Union

Full membership in the European Union is a strategic foreign policy goal of Croatia, and the values underlying the European democracies are principal guidelines in the internal development of Croatia. Hence the tasks to be carried out towards these ultimate objectives occupy a central place in the new Croatian Government's programme. The Government views that the sustainability of the process of adjustment of systemic reforms, as well as the overall process of European integration, may be guaranteed only by the prospect of future membership in the EU.

Over the past few years, we have witnessed the improvement of relations between Croatia and the

European Union within the framework of the Stabilisation and Association Process.

After the preparatory steps towards the institutionalisation of relations between Croatia and the EU - the meetings of the Joint Consultative Working Group of Croatia and the EU, and the adoption of the Feasibility Study (regarding the negotiations on the Stabilization and Association Agreement, SAA) in June 2000 - the European Commission recommended to the Council of Ministers of the EU to commence the SAA negotiations. The negotiations were opened in the context of the Zagreb Summit in November 2000.

The legacy of the Zagreb summit is twofold. Its Final Declaration can be described as an important landmark in further political and economic relations between the SAP countries and the European Union. The Declaration gives assurances to the SAP States of a European perspective, subject to their individual achievements and engagement in reviving the regional co-operation. Following the success of the summit, the Zagreb Process was launched as a forum to bring together the heads of States and Governments of the European Union and the countries involved in the Stabilisation and Association Process.

During the negotiations, the three official rounds were held plus the

two technical rounds along with a series of expert meetings. All chapters of the Agreement were discussed, and the mutual agreement was reached during the final round in Zagreb, on 11 May 2001. The Stabilisation and Association Agreement (SAA) was initialled on 14 May 2001 in Brussels, and signed on 29 October of the same year. Apart from Italy and the United Kingdom, it has thus far been ratified by the parliaments of the current EU member states.

Although it has not yet taken effect, the trade and transport provisions of the SAA have been applied since 1 January 2002, by implementing the Interim Agreement on trade and related issues (signed on the same day as the SAA), which became effective on 1 March 2002. Regular meetings of the Interim Committee and its five sub-committees are conducted among the joint Croatian and European Commission bodies responsible for the supervision of the implementation of the Interim Agreement. This co-ordination ensures a constant communication with the EU bodies on technical issues, as well as an exchange of information on Croatia's progress in the implementation of standards and legal regulations of the EU in specific areas. This helps determine the steps that will need to be taken in the further process of implementation. The Joint Statement between the Republic of Croatia and the European Communities and its Member States on Political Dialogue, which established the framework for consultations on political issues, was also signed on 29 October 2001.

A contractual relation between Croatia and the EU was established for the first time through the conclusion of the SAA. The SAA is a preferential agreement, with the purpose of contributing towards the economic and political stabilisation of Croatia, as well as towards the establishment of close, long-term relations between the contractual parties. In other words, the SAA is also the legal basis for, and the framework of, the content of the relations between Croatia and the EU; it is, therefore, the first step

in the institutionalisation of the relations with the EU, which should enable Croatia to gradually prepare for full membership in the EU. The conclusion of the Agreement confirmed the status of Croatia as a potential candidate for EU membership.



MEI State Secretary Marija Pejcinovic Buric

It is intended that all relevant activities may be conducted in a more dynamic manner, so that Croatia will be ready for full membership in the EU by the end of 2006. It is essential to note that, in doing so, no commitment has been set as to a point in time when Croatia will attain the full EU membership. The realisation of such an objective does not depend on Croatia's activities and capacities alone, but primarily on the Union's own decisions regarding the dynamics and scope of the EU enlargement process. However, Croatia's intent is to take all the steps realistically possible in order to ensure that the process of rapprochement and final integration into the EU be carried out by the end of 2006; thus Croatia may be ready for EU membership, i.e. to become a "virtual member", as of January 2007. Therefore, already in 2001, it was decided to simultaneously implement the obligations undertaken by the Stabilisation and Association Agreement, and to begin fulfilling the Copenhagen membership criteria. To our great satisfaction, above 80 % of all measures, envisaged for the implementation under the Stabilisation and Association Agreement, have already been realised.

Since the signing of the SAA in October 2001, the commitments

assumed under the Agreement have been carried out according to the Implementation Plan of the SAA, which was adopted immediately before the signing of the SAA, and has been in force ever since. The purpose of the Plan was to ensure both the systematic implementation of a number of policies which encourage the reforms contained in the SAA and the Interim Agreement as well as, to a greater extent, the implementation of such measures, as were self-imposed by Croatia. Although not expressly specified in the SAA, these measures facilitate the adoption of European standards and procedures leading towards an accelerated fulfilment of the conditions necessary for full membership. Subsequently, the National Programme for the Integration of the Republic of Croatia into the European Union upgraded the Implementation Plan, based on the experience of the National Programmes for the Adoption of the *Acquis Communautaire*. Since its introduction in 2003, the National Programme serves the purpose of a roadmap by which the Croatian Government realistically assesses its capacities, and the capacities of Croatian society as a whole, to implement all that is included in the adjustment to the EU criteria.

By the consensus of all Croatian parliamentary parties (111 votes to one abstention), at its session on 18 December 2002, the Croatian Parliament adopted the Resolution on Croatia's Integration into the European Union. This underlined a strong commitment of all the Croatian parliamentary parties to reaching the strategic goal of EU membership, and carrying out the far-reaching reforms required for the harmonization with EU standards. The Resolution urged the Government to submit Croatia's application for EU membership by the end of February 2003.

The decision to submit the Croatian application for membership in Athens on 21 February 2003, was based two main factors: on the one hand, the assessment that Croatia had made a substantial progress in fulfilling the necessary political, economic, legal and institutional com-

mitments undertaken in the SAA; and, on the other hand, the firm determination to be ready to assume the obligations ensuing from EU membership by the end of 2006. This assessment is most notably confirmed by Croatia's constitutional and political stability, which is deemed to have reached the highest level in the region. The functioning of its political, state, and democratic system together with related institutions, have helped to foster steady growth of democracy, the strengthening of the rule of law, the improved protection of human rights, and not only a satisfactory but also constantly improving economic performance. By applying for EU membership, Croatia contributed towards the stability in the wider region of South-Eastern Europe, and demonstrated to the SAP countries the profitability of carrying out the required reforms, making their prospects of EU membership more real.

Already on 14 April 2003, less than two months after the submission

Republic of Croatia: Fact-sheet

Independence:	25 June 1991
Area:	56,542 sq km
Capital:	Zagreb
Government Type:	parliament democracy
Governmental Parties:	HDZ, CD
Population:	4,422,248 (July 2003)
Population Growth:	0.31% (2003)
Ethnic Groups:	Serb 4.5%, Bosniak 0.5%, Slovene 0.3%, Roma 0.2%, Czech 0.2%, Albanian 0.1%, Montenegrin 0.1%, others 4.1%, Croat 89.6%, (2001)
Religions:	Orthodox 4.4%, Muslim 1.3%, Protestant 0.3%, other and unknown 6.2% Roman Catholic 87.8%, (2001)
GDP per Capita:	\$ 9,800 (2002)
GDP- r.G. rate:	5.2% (2002)
Inflation rate:	2.2% (2002)
Export:	\$ 4.9 Billion f.o.b.(2002)
Import:	\$ 10.7 Billion c.i.f. (2002)
Unempl. rate:	21.7% (2002)

of the application, the Council of Ministers mandated the European Commission to start preparing an avis on Croatia's membership application. On the occasion of his visit to Croatia on 10 July 2003, the President of the European Commission, Mr. Romano Prodi, handed over the avis questionnaire to the Croatian Prime Minister. On the basis of the information provided last October, as well as the performance of the new Government, especially in fulfilling the political criteria - the issue of cooperation with the ICTY being the most prominent one - the European Commission finalised and adopted its avis on Croatia's application on 20 April 2004. This is just a calendar of events that brought us to the point where we expect the European Council in June to reflect on it and take adequate decisions on Croatia's candidate status and the opening of membership negotiations. The European Parliament, at its session on 1 April 2004, already passed its favourable recommendation to the Council concerning Croatia's candidate status.

In the avis the European Commission concluded that Croatia is a functioning democracy with stable institutions, which function properly and that there are no major problems over assuring the rule of law and respect for fundamental rights. As far as the economic criteria is concerned, Croatia can be regarded as a functioning market economy that should be able to cope with competitive pressures and market forces within the EU in the medium term. On the third criterion, the European Commission assessed that Croatia will be in a position to take on the other obligations of membership in the medium term as well. Therefore, we expect that Croatia could become the next candidate for membership of the European Union by the summer of this year.

In view of further steps for Croatia to catch the 2007 enlargement wave, the preferable date of the commencement of membership negotiations would fall at the end of 2004 or early in 2005, with their

proceeding smoothly and swiftly towards conclusion by the end of 2006. It does help that, after all, we have been well placed to analyse all good, as well as less than positive, aspects of the negotiations carried out by both former and current candidate countries, and to assess, accordingly, our own potentials and capacities. Hence, it does not seem unrealistic to assert that we are capable of accomplishing our accession negotiations in a two-year period. The Accession Treaty may then be signed in 2007, and enter into force in 2008 or 2009. To this end, the present Croatian government has undertaken an exhaustive diplomatic offensive, starting in Brussels and encompassing the capitals of both the EU-15 and the new member states.

In realising this objective we shall not be competing with either Bulgaria and Romania on the one hand - both already well advanced on this itinerary - or with any other SAP country on the other hand. On the contrary, Croatia welcomes Macedonia's application for membership (presented in Dublin on 22 March 2004). We shall be competing with ourselves alone, in meeting the challenges of reaching the EU standards and criteria to the best of our abilities. We know exactly how much daring the reform efforts take, and how difficult the comprehensive and coordinated tasks will be.

Furthermore, we are also aware that it is necessary to continue our reforms by proving our readiness to address the three remaining political preconditions. These include a full cooperation with the International Court for War Crimes in Former Yugoslavia, the return of refugees, and the judiciary reform. As a result Croatia would reconfirm its determination to respect for the values and principles upon which the EU is based. Apart from these political preconditions, we also have to continue reforming our legislation by bringing it in line with the European *acquis*. Last but not least, there is the issue of economic performance, where Croatia can

already show a very good track record.

In short, the SAA, and especially the activities undertaken to implement the Agreement, clearly indicate not only the increasingly improving relations between Croatia and the EU but also Croatia's commitment and determination to accomplish its

strategic objective - to become an associated, and subsequently a full member of the EU. By becoming a member of the EU, Croatia wishes to ensure its own stability and welfare, and foster further stability and welfare across Europe.

Marija Pejcinovic Buric, MA

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Croatia's Turn Towards a New Reconciliation Policy

Only three years after its disastrous election debacle in 2000, when the then-ruling Croatian Democratic Union (HDZ) after 11 years in power lost its first parliamentary and soon afterwards presidential elections, the conservative party is impressively back on Croatia's political scene. In the recent parliamentary elections held on 23 November 2003 the HDZ won 66 out of 152 seats and became the ruling party in the Croatian parliament (Sabor). Therefore the composition of government changed significantly. Since Croatia's independence in 1991, the second regime change in the country has taken place and the former Tudjman party is in power for the second time. The new ruling coalition, led by Prime Minister and HDZ-chairman Ivo Sanader, is based on a formal agreement with the Democratic Centre (DC) and the Croatian Social Liberal Party (HSL). Though not part of the coalition, but supporting the government, are three members of the Croatian Pensioners Party (HSU) and eight representatives of national minorities (strikingly, three of these being from the Serb Democratic Independent Party/SDSS). Eight years after the end of the war between Serbs and Croats, a former hard-line nationalistic party thus came into power with the votes of the Serb minority.

In view of the HDZ's election victory, many observers and critics within Croatia and especially in official international circles have been highly sceptical. During the crucial post-war period in the 1990s the authoritarian Tudjman regime car-

ried out a nationalistic policy of discrimination and violation of human and minority rights, thus isolating Croatia in the international community. Given this past, doubts about the HDZ's credibility as well as democratic trustworthiness arose. But shortly after coming into power, Prime Minister Sanader officially embarked upon a new reconciliation policy. He explicitly and publicly invited all Serb refugees to return to Croatia and emphasised the promotion of refugee return and minority integration as a top priority of his government. Consequently, Sanader initiated important cooperation agreements, signed with minority representatives. The most wide-ranging agreement has been reached with the representatives of the Serb minority regarding the return of Serb refugees, the reconstruction of destroyed or damaged pre-war houses and properties, the judicial reform and the cooperation with neighbouring states.

Besides these formal commitments, underlining his willingness for reconciliation, Sanader in visited the Serbian Orthodox Christmas reception January 2004, where he greeted the Serbs in traditional orthodox manner. Beyond this, Sanader consistently demonstrates his high dedication to strengthening regional cooperation, not only in economic but also in political terms, especially with Serbia-Montenegro. As regional integration is a crucial part of Sanaders new reconciliation approach, he constantly expresses his desire for intensifying the relations between

Zagreb and Belgrade.

But given the results of the parliamentary elections in Serbia in December 2003, when the centre-right Serbian Democratic Party of Vojislav Kostunica acceded to power only by the support of the socialist Milosevic-party and is now leading a minority government, the cooperation in political terms could be less successful and less rapid than Sanader desires. The new Serbian government started with a nationalistic restoration policy, far from the Croatian pro-European approach. Things might change since Vuk Draskovic was elected Minister for Foreign Affairs of Serbia and Montenegro and immediately after coming to power expressed his willingness to cooperate with Croatia. Kostunica and Sanader are aware of the fact that regional cooperation is not only a condition for EU membership, but rather crucial for stability and peace in the region.

A new HDZ?

Sanaders ambitious commitments and initiatives during the first months in power clearly signal a constructive and forward-looking approach. In addition, the initiatives seem to be aimed at Sanader's and HDZ's critics, who raised doubts about the credibility of the former Tudjman party. For this reason party leader Sanader is eager to present a new, reformed and modernised HDZ, far from the nationalistic policy of the Tudjman era, prepared for an unqualified minority policy, thus disarming the critics. With Sanaders election as chairman of the HDZ in 2000, the

image and structure of HDZ indeed changed fundamentally. It has been since Sanader's crucial interest to transform the HDZ into a democratic, pro-European, conservative party. Shortly after acceding to power he eliminated nationalistic tendencies within the HDZ, managed to build a reform consensus among the party officials and rose to become the political key figure in the HDZ. As party leader he succeeded in forming a circle of young, democratic, pro-European politicians within the HDZ, who now support his reconciliation and minority policy in cabinet. As the HDZ belongs to the European People's Party, Sanader also maintains close relations to leaders of all important European conservative, peoples, and Christian democratic parties. Sanader's pro-European approach is probably most evident in the case of Ante Gotovina. Gotovina, a Croatian Army general indicted for war crimes against Croatian Serbs in 1995, has been a long-time and highly sensitive political issue in Croatian political affairs. Until recently the Croatian government was accused of not fully supporting the International Criminal Tribunal for the Former Yugoslavia (ICTY) in The Hague in handing over Gotovina and other Croatian war crime indictees. Immediately after coming to power Prime Minister Sanader assured unrestricted cooperation with the ICTY and guaranteed support in trapping Gotovina, who is still on the run, presumably hiding abroad. Since then six accused Croatian generals went to The Hague and as a result, the ICTY Chief Prosecutor, Carla Del Ponte, lately confirmed the full and effective Croatian cooperation with the Tribunal.

Although Sanader solved quite a lot of major problems within the HDZ, challenges remain. During the time the HDZ was in opposition, several HDZ MPs advocated nationalistic policies, in contradiction to Sanader's reconciliation policy. Furthermore, party members and local officials, large parts of the HDZ electorate (above all citizens from rural areas and older people) as well as the traditionally close veteran

organizations are still fond of nationalistic ideas and unwilling to reconcile. It is more than questionable whether those for the HDZ important groups will support Sanader's reconciliation and minority policy in future. This could become a fundamental and divisive issue within the HDZ and has to be observed carefully.



HDZ Chairman Sanader: crucial interest in EU Integration

Croatia's long path to a consistent minority policy

During the Tudjman era in the 1990s, Croatia had strong democratic deficits. With the democratic changes in 2000 a coalition came to power, which was strongly committed to democracy and human rights. Led by the social-democratic Prime Minister Ivica Račan the government initiated reforms, bringing about substantial progress not only in the area of institution building, but also in the field of human rights. Despite these achievements Croatia's political system still has shortcomings and democratic shortcomings, particularly as concerns the functioning and efficiency of institutions and state bureaucracy, the rule of law, the fight against organised crime and corruption, the reform of the judiciary as well as the development of independent media.

Currently one of the most sensitive and difficult tasks concerns the return policy. During the wars of the 1990s more than 300,000 Serbs left Croatia, mostly for the Federal Republic of Yugoslavia and Bosnia-Herzegovina. Precise data on how many Serb refugees have returned to Croatia since the end of the war do not exist. According to the Human Rights Watch world report 2004

the total number of returned Serbs, registered by the Croatian government in July 2003, was 102,504. Thus, an enormous number of Croatian Serbs is still displaced. This failure has its roots: In the decade of the Tudjman regime, the return of Serb refugees was systematically blocked by the government. Serbs were not welcome in post-war Croatia and were persistently discriminated. The return process in fact has been initiated only after the political changes in 2000, but the results have been less successful than expected. The readiness to reconcile and to integrate the returning refugees fully in social and political life has been, especially on the local level, insufficient. Consequently, minorities still face various obstacles when returning to their pre-war homes in Croatia, above all in the judiciary, public institutions and employment. Probably one of the most significant obstacles for refugee return concerns the repossession of property, both privately owned houses as well as socially owned apartments. Most of the Serb refugees to date have not been able to regain their occupied homes, but at the same time have not received alternative properties or monetary reimbursement. Nine years after the end of the war, the obviously limited efforts of the previous governments to start a fair repossession policy discourage most of the pre-war owners to return. In order to encourage refugees to return the new government committed itself to solve all cases concerning repossession of property by the end of 2004.

Another major obstacle is the lack of assistance in the reconstruction of damaged or destroyed pre-war homes. Until the end of 2002, seven years after the war, Croatia had failed to reconstruct refugee properties, especially of the Serb minority. It was only then that the government started to assist the reconstruction of pre-war refugee homes through state funding. However, those efforts have been insufficient and frequently discriminatory. The new government pledged now to reconstruct all destroyed or damaged houses by the

year 2006. In summary, discrimination on ethnic affiliation and return obstacles persist most intensively at the local level. Local authorities as well as the local population often obstruct re-integration efforts. By now HDZ rules many communities, especially in former Serb communities. As the HDZ is in government now, it will be Sanader's personal task to promote conditions for return by calling on his local party colleagues to respect, and where necessary, to enforce minority rights. This could be one of the most difficult, but crucial tasks for the HDZ chairman. He has to bridge the abyss between his reform-minded and pro-European elite at cabinet level and the often nationalist local HDZ officials, party members, and the electorate at large. The Serb minority, supporting Sanader's government in parliament, threatens to withdraw support, if Sanader does not deliver on his promises regarding refugee return. Although Sanader's policy agenda therefore seems to be built on highly fragile ground, serious problems are not expected. On the official political level a cross-party consensus guarantees the support of all decision-makers and leading groups in solving the refugee return and minority problem, which is in Croatia's crucial interest.

Towards reconciliation

The new HDZ government has been in office for a couple of months now and even critics admit that Sanader's return and minority policy is more explicit and transparent than the policy of any Croatian government before.

But even though the past few months saw first signs of a new reconciliation policy and the numerous governmental initiatives are to be welcomed, one should not be euphoric.

Sanader launched very ambitious initiatives on extremely sensitive political issues. Words must now be followed by deeds. The Croatian prime minister will have to ensure the return of Serb refugees by financing and pushing through the reconstruction of damaged or destroyed homes and properties, by repossessing occupied homes to pre-war owners, by assisting in employing returned refugees and by preventing discrimination in public administration and the judiciary. But Sanader has not only genuinely to encourage Serb refugees to return to Croatia. He has primarily to create a political climate, in which Croatian citizens truly welcome Serbian refugees and integrate minorities into social and public life. The new government, and personally Prime Minister Sanader, has indeed taken important first steps towards a long overdue reconciliation process. But the most difficult part, the implementation of the initiatives as well as the creation of a political atmosphere conducive to minority integration is yet imminent. Croatia still has a long way to go.

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The Serbian Elections

When on November 13, 2003 Natasa Micić, the President of the Serbian Parliament and the acting President of Serbia dissolved the Parliament and scheduled new parliamentary elections for December 28, the first chapter of the post-Milosevic era should have come to an end. However, the actual turning point in Serbian post-Milosevic

politics was the assassination of Prime Minister Zoran Djindjic on March 12, 2003. The murder and the following operation "sabre" of the Serbian Ministry of Interior revealed the deep infiltration of the criminal structures from the Milosevic era in almost all levels of the Serbian state. The confidence in the international business sector and the trust of the voters

seemed to have been lost. Djindjic's successor Zivkovic was not able to follow in his predecessor's footsteps - despite the internationally recognized police operation "sabre", the Zivkovic government gave the impression rather to react than to act. Probably the roots of the problem already emerged in Djindjic's term of office, but Djindjic displayed an air of being

in control of the situation, especially in international encounters.

Quite soon after Zivkovic's takeover the split in the ruling party alliance "Democratic Opposition of Serbia" (DOS) became obvious. Because of the opaque deposition of Mladjan Dinkic, head of the Central Bank, the domestic political crisis aggravated. On November 16, the presidential election failed for the third time because of insufficient voter turnout (38,8 per cent). Shortly before that, the acting President dissolved the Parliament. DOS had by then lost its majority in the Skupstina. Serbia entered into a quite dangerous power vacuum. The results of the presidential elections made the preference of the voters for the nationalistic "Serbian Radical Party" (SRS) obvious. However, because of the low voter turnout the election returns were not taken serious enough. The non-voters were attributed to the political centre. In the evening of December 28, 2003, after the parliamentary elections, the last optimists were refuted - the winner was the Serbian Radical Party (see table 1).

Consequences

Heterogeneous minority government and its chances for survival

However, the electoral success of the Radicals did not suffice for forming a SRS government. Only the parties aligned toward the centre were able to reach a very thin majority all together. However, during the election campaign the Democratic Party of Serbia (DSS), which became the strongest party of the centre, already foreclosed to form any coalition with the former strongest party in Parliament, the

Democratic Party (DS). Although in January 2004 the leader of the DSS, Vojislav Kostunica, partly backtracked, there were only few indications of a possible integration of the DS in an eventual coalition. Kostunica advocated a minority government under the leadership of the DSS but with the support of the DS. All parties of the centre took part in the coalition talks: DSS, DS, G17 Plus as well as the electoral alliance Serbian Renewal Movement-New Serbia (SPO-NS). The differences between the DSS and the DS seemed to be insuperable. The coalition talks dragged on and took over two months. In the end the DS refused to support a minority government under the leadership of the DSS; thus the Socialist Party of Serbia (SPS) came into play. The SPS was willing to support the minority government. The negotiations already started at the end of January and consensus was reached by the end of February.

This brought the SPS back on the political stage. Although both Kostunica and Tadic (DS) chose prefatory tones in public statements, finally on the issue of a common presidential candidate of all centrist parties for the Presidential elections this fall it became obvious that the trench between the DSS and the DS was even deeper than recognized in public. At the first ballot the two parties are going to take up against each other.

The SPS has gained a pivotal position in Serbian politics. The question of reform ability of the Milošević-party looms large. At the end of the 1980s the SPS emerged out of the bond of the Serbian Communists (SKS). Being in this tradition, the SPS managed to stay in

power continually until October 2000. As an old cadre party the resources at its disposal should not to be underestimated - resources, which some of the centrist parties lacked. Nevertheless the SPS potential is today weakening because of an unfavourable age structure. The SPS is now hardly able to compete with the SRS on the right wing. A partial reorientation on social topics or a new positioning on the left wing of the party system is not improbable. The future of the minority government depends more than marginally on the reform ability of the SPS.

Cooperation with The Hague

Everyone involved in the SRS-SPS talks were silent about possible concessions, which were made to the SPS. However, in an interview on 2 March the future minister for capital investments, Velimir Ilic, dropped first hints that the new government could follow a new course regarding the International Criminal Tribunal for Former Yugoslavia (ICTY). Over time, the price for the support of the SPS became clear. Finally on March 30, the Serbian Parliament passed a law on the rights and its support for Serbian defendants at the Tribunal. The law provides that the relatives of the defendants have the right to refunding of defence contributions, rent or salary but also for the travelling expenses to The Hague. On top of that, a monthly phone and package postage costs flat rate will be paid to the relatives. The law was passed with the opposition votes of the SPS and the SRS but also with the help of the DSS from the coalition government. The MPs of G17 plus abstained, the SPO/NS together with the DS rejected the law. All in all, 141 representatives voted for the law, 35 against it. The proponents justified the law by claiming to help the Serbo-Montenegrins condemned or on trial in The Hague. The chairman of the SRS, Tomislav Nikolic, explained, the citizens of Serbia would not see the indicted in The Hague as criminals. Especially on this point the opponents seemed to be united. They saw a clear concession to the SPS, although the DSS declared that

Party / Election list	Results	Seats
1. Serbian Radical Party (SRS) / Vojislav Seselj	27,7 %	82
2. Democratic Party of Serbia (DSS) / Vojislav Kostunica	18,0 %	53
3. Democratic Party (DS) / Boris Tadic	12,6 %	37
4. G 17 Plus / Miroslav Labus	11,7 %	34
5. Serbian Renewal Movement (SPO), New Serbia (NS) / Vuk Draskovic, Velimir Ilic	7,8 %	23
6. Socialist Party of Serbia (SPS) / Slobodan Milosevic	7,4 %	21

Table 1: Official results of the parliamentary elections in Serbia on December 28 2003

the law does not mean any rapprochement with the SPS.

The danger of new international isolation

Internationally the accrued move to the right in Serbia was viewed with anxiety. Many hoped, the DS might join the coalition government. As this hope dissipated, the hope turned to a minority government tolerated by the DS. Of the two worst scenarios, the toleration by the SPS was the less dramatic one. The integration of the SPS in the government would probably have led to serious international consequences. In the new cabinet the G17 plus, which is internationally highly regarded as a reformist party, holds decisive positions on economic matters (Deputy Prime Minister Labus, Finance Minister Dinkic and apart from the cabinet the Head of the Central Bank Jelasic). In this respect, reforms might continue. The predecessor government did

not seriously start reforms in many areas (health, law, education system and administration). The current Kostunica government is now faced with these tasks. The future domestic policy will have a strong impact on the success of the government. One of the main problems awaiting the Kostunica government is the Kosovo status question, with both a domestic and a foreign policy dimension. The government is concentrating on the slogan "Cantonization of Kosovo." The model Bosnia and Herzegovina is assumed to be a success. A decentralisation of Kosovo on the basis of semiautonomous cantons might, though, prove too difficult to be carried through. In this field Belgrade seems to be quite aware of a danger of international isolation and appears to be looking for a dialogue with international actors. The recent unrest in Kosovo (March 16 to 22) led to serious instability in the province. The search for a solution

of the Kosovo question gained new momentum. For the Serbian policy it will be essential whether through these happenings the independence of Kosovo is going to come closer or whether the international community continues to follow its de facto status quo strategy, which hides behind the slogan "standards before status". Currently, Serbian foreign policy tries hard to prevent a change of the international strategy in favour of the Albanians.

Milan Kosanovic

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Task Force South Eastern Europe

Network for European Studies in Southeastern Europe Plans for 2004 and 2005

The Network for European Studies in Southeastern Europe coordinated by ZEI has concluded its fifth, successful year. As for the future, the following goals have been set for the next two years:

1. To *focus* the network's activities on the western Balkan countries, particularly Albania, Bosnia and Herzegovina, Macedonia, Serbia and Montenegro. The involvement of our partners from the remaining region of Southeastern Europe will persist in order to maintain the continuity and integrity of the network.

2. To *network* further regional European Studies programs in order to intensify the contacts, understanding, academic and experiential exchanges among one another in accordance with the Stability Pact and its promotion of regional cooperation. These contacts are building gradually. The

purpose of such networking is served through the network's yearly conferences as well as working-group meetings.

3. To expand *cooperation* between Western European, especially the German European Studies programs and potential regional partners in Southeastern Europe, in order to provide impulses for a comprehensive transfer of 'know-how', particularly since this area of study exhibits considerable deficits in the region.

4. To continue efforts for a significant *quality enhancement of current European Studies programs* in the region, for instance in research and teaching, in order to harmonize the western and southeastern European programs. For this purpose, the Network's "Reader" series compiles lists of fundamental literature for European Studies.

5. This will necessitate the *promotion of the future academic generation* of European Studies along the lines of "help for self-help", which will lead ultimately to independent and competent European Studies programs in the region. The 'summer school' contributes to the realization of this goal.

6. Academic as well as logistical *support* particularly of European Studies programs of cross-border nature.

7. To *promote knowledge of Europe in Southeastern European schools*. This requires the education of future teachers and school administrators and the conceptualization of study material.

Specific Working Goals and Projects

- Continuation of the "flying faculty", whereby the previous two

flying faculties will be fused into one with a focus on the western Balkans. It seems reasonable to send ten instructors annually, each one for a week to the universities of the region. The instructors will be encouraged to visit several programs during one trip in order to reduce excess costs and increase the academic value of the program.

- More *Summer Schools* 2004 and 2005 in Kotor, Montenegro. The Montenegrin partners have already announced their agreement to hold the first Summer School this year in June or July. Around 50 students will be invited from European Studies Programmes in Belgrade, Novi Sad, Podgorica, Rouse, Skopje, and Tirana.

There will be two parallel classes at the Summer School, in which the instructors teach one after the other. Focal points will be interactive learning and the conveyance of essentials. The Summer School including weekend excursion will last ten days.

- A further *Annual Conference 2005* with a focus on the western Balkans, which is planned to take place in Skopje. At the end of June 2004, Prof. Dr. Ludger Kühnhardt, Director at ZEI and Dr. Emil Mintchev will travel to Podgorica and Skopje, in order to probe the logistics for the Annual Conference.

- A „*Train the Trainers*“ Seminar in 2005 exclusively for instructors from the western Balkans, possibly

in Bosnia and Herzegovina.

- The other focal point of the Network activity in 2004 and 2005 is going to be the cooperation with the Bulgarian-Romanian Inter-university Europe Center (BRIE) established at the Danube bridge between Bulgaria and Romania in Rouse and Giurgiu in October 2002 and aiming to become one of the Centers of Excellence in the region. The Network will continue to support the European Studies Programme offered at BRIE Rouse.

At the last annual Network Conference held in January 2004 in Rouse the Network participants decided to create the institution of BRIE Corresponding Members thus offering the opportunity for well known professors from all over South Eastern Europe to come as visiting professors to BRIE and to teach there. The same applies to the faculty of the Summer School to be offered regularly for the BRIE students. This year the Summer School will be held during the second half of July.

-The Hertie Foundation Coordination Office at ZEI will continue to deal directly with BRIE tasks by recruiting German faculty for the BRIE European Studies Programme within the framework of the “flying faculty” and renowned speakers as Hertie Lecturers. Furthermore will take care of the Hertie Foundation Fellows at BRIE and promote the campaign all over the region for recruiting new students.

- The „Europe at Schools“ Project is going to be also on the agenda for the next two years. After the successful first phase in which “country profiles” for a number of South East European countries (Bulgaria, Romania, Serbia and Montenegro, Macedonia and Albania) and a detailed Core Curriculum for a Master in European Education were elaborated and published, an application for financial support for the second phase was made.

The second phase will include two more meetings of the working group “Europe at Schools” in 2004 and 2005 most probably in Sofia and in the Western Balkans (Skopje or Sarajevo) and one “Train the Trainers” seminar organized by our main partner in this project, the Institute for Globalisation and Intercultural Learning (IGI) in Zagreb. In addition, joint efforts in preparing up to date teaching material are envisaged.

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