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Seceding but not Succeeding: African International Relations and Somaliland’s lacking international recognition

Nikola Pijović

Abstract

Somaliland, the northern region of Somalia, declared independence in 1991 and has for the past two decades functioned as an independent political entity with important state-like structures. However, notwithstanding its relatively high accomplishment (especially as compared to Somalia) in state-building, it remains without any international political recognition. This article attempts to expose the politics behind Somaliland’s (non) recognition by analysing key African players and their roles in Somaliland’s international recognition game. The main arguments made are that some continental African states and Somaliland’s neighbours seem to be content keeping the status quo, and Somaliland’s international recognition is not a pressing issue for anyone but Somaliland. The fact that no African country seems to be ready to be the first to recognize Somaliland (while many are happy to be the second) may yet prove the most considerable obstacle for Somaliland’s recognition in the foreseeable future.

KEY WORDS:
Somaliland, international recognition, Somalia, Horn of Africa, state secession
Introduction

Since the fall of Siyad Barre (Somalia’s long serving dictator president) in 1991, and to a large extent several years before that, Somalia ceased to function as a unified state with centralised political and security authority. While it is still often seen as the archetype of a failed state, Somalia today presents the scholar of international relations with a peculiar example of a highly complex and diverse socio-political landscape, the problems of which are compounded by the inability of international leaders and decision-makers to move away from stereotypical and outdated notions of state inviolability and engage with realities on the ground.

Not all parts of what formally still constitutes the Somali Republic have developed in the same fashion. While much of south and central Somalia descended into civil war in 1991, the north of the country avoided large scale war and devastation by declaring independence as the Republic of Somaliland. In fact, the Republic of Somaliland had previously existed as an independent, sovereign, and internationally recognised state in 1960 before its unification with Somalia. Since 1991, this breakaway state has managed to establish a high degree of security and control over its territory, provide for economic reconstruction of the war-torn country, and hold several democratic elections. However, not withstanding Somaliland’s achievements in state-building, the international community has been highly reluctant and very slow to recognize the territory’s claims to independence and stabilizing role in the troubled Somali region. In the words of one scholar “the international response to the (re)birth of Somaliland has been marked by an overwhelming lack of interest” (Geldenhuys 2009: 139).

To put it another way, the inability or lack of interest of the international community in dealing with the complex political situation in Somalia is very clearly reflected in the status of Somaliland. While African governments and the African Union (AU), coupled with the United Kingdom (UK), United States (US), and other Western donors have for years funded and provided international recognition to the Transitional Federal Institutions of Somalia, notwithstanding their abysmal record of inaptitude, corruption, and lack of popular legitimacy in the country, the same countries and international
organisations still do not recognise the only part of Somalia that actually boasts a legitimate and democratically elected government and has managed to remain largely peaceful since 1991.

In order to understand Somaliland’s inability to secure international recognition, it is important to examine the country’s relationship with segments of the African community of states.¹ This article therefore discusses the continental and regional players in Somaliland’s recognition game, and seeks to analyse their positions on the country’s independence. The article firstly outlines a brief history of political developments in Somalia and Somaliland since independence, and then turns to an analysis of “heavyweights” such as Egypt and South Africa, both of whom have a pronounced interest in, and close association with Somaliland and Somali issues. Following this, the discussion focuses on Somaliland’s immediate neighbourhood and analyzes Ethiopia, Kenya, and Djibouti, and their relationships with the territory. Finally, the discussion culminates with an analysis of the AU’s position towards Somaliland and how its lacking policies regarding Somaliland have contributed to the territory’s international political isolation.

¹ There is also a word to be said about Somaliland’s relationship with segments of the wider international community, especially Western powers such as the UK and US. Although this article is dedicated to exploring the African context of Somaliland’s lacking international recognition, it should be noted that one could easily write another article examining the interference of the formerly mentioned countries in Somali affairs, and their adverse effects on the political situation in Somalia/Somaliland.
Somalia and Somaliland: Independence to 1991

During the period of colonialism from roughly the 1880s to World War Two, the lands inhabited by Somali peoples were administered by various non-Somali forces: the French (in what is now Djibouti), the British (in what is now the self-proclaimed state of Somaliland, and Northern Kenya), the Italians (in Somalia proper), and the Ethiopians (in what is still Ethiopia’s Ogaden region). As a result of these different foreign administrations and their administrative and governance traditions, the inhabitants of these regions experienced very different colonial legacies.

The British, for example, favored a limited or “thin” involvement in Somaliland and invested meagerly in the local infrastructure with minimal numbers of British settlements, whereas the Italians invested more in Somalia and encouraged Italian settlement and the development of local agriculture (Lewis 2008: 30-31). While this is not the place to offer an exhaustive account of different colonial policies in Somalia, it will suffice to say that different administrative languages coupled with different governing traditions paved the way for severe difficulties for Somalis in bringing the two colonial territories together upon independence.

In July 1960, after some eighty years of European domination and overlordship, the new Republic of Somalia was proclaimed (Meredith 2006: 465). The British protectorate of Somaliland gained independence on 26 June 1960, four days before it joined Italian Somalia on 1 July to form the new Republic (Lewis 2008: 33). This fact is highly important regarding Somaliland’s current sovereignty claims and drive for international recognition as it serves to prove Somaliland was once an internationally independent political entity even if for only four days.

Without getting bogged down in lengthy assessments of the period after independence and up to 1991, one can provide a brief overview of the arguably most important political developments. Somalia’s first civilian administrations proved to be highly corrupt and unable to deal with the many problems the newly independent nation faced. Some of these problems included the newly unified Republic’s legal system—four of
which she inherited (Italian law, British common law, Islamic law-Sharia, and Somali customary law-Xeer) and needed to merge to create an integrated legal code. Also, within the first few years the enthusiasm for the unification waned as northerners began to realise how politically and economically marginalised they were becoming (Bradbury 2008: 33).

In October 1969, after 9 years of civilian government, Somalia’s President Abdirashid Ali Sharmarke was assassinated, and a bloodless military coup led by General Mohamed Siyad Barre suspended the constitution leaving him and the army in power. Barre’s early years in power were characterized by socialist rule and developing strong ties with the Soviet Union, which allowed Somalia to build up one of Africa’s largest standing armies in less than a decade. While the period of Barre’s first 7 years in power was relatively peaceful (his regime concentrated mostly on local development and consolidation of authority), what followed would destabilize the country and sow the seeds of discontent amongst Somalis for years to come.

Between 1977 and 1991, Somalia suffered three significant armed conflicts, all of which contributed to the destabilization of the regime, severe economic hardship, and ultimate fragmentation of the Republic. The first conflict, the Ogaden War, was fought against Ethiopia in 1977-1978. In an attempt to realize the dream of the unification of Greater Somalia (unification of all Somali inhabited lands in the Horn of Africa), Barre’s forces intervened in support of Somali rebel fighters (Western Somali Liberation Front) to expel Ethiopians from ethnic Somali territory in the region of Ogaden. Unfortunately for Barre, his patrons in the Soviet Union switched sides in the midst of the war, throwing their military weight behind Ethiopia (Lewis 2008: 43-45). Although Barre's forces controlled some ninety percent of the Ogaden in September 1977, by March 1978 they were forced to withdraw almost completely from the region (Clarke and Gosende 2003: 136).

After the defeat in the Ogaden War and during the 1980s Barre developed a strong anti-Soviet stance, which resulted in high levels of aid from the Western world. For example, in the 1980s Italy provided Somalia with $1 billion in aid, half of it in military supplies, while the US supplied some $800 million worth of aid, one-quarter in military assistance (Meredith 2006: 468).
By the end of the 1980s, the country was receiving twenty percent of total US aid to Africa (Besteman 1999: 15).

The second significant armed conflict Somalia suffered was between the Somali National Movement (SNM)—made up predominantly of members of the northern-based Issaq clan, and Siyad Barre’s regime. For the better part of the 1980s this was a minor insurgency based mostly in the north and north-west of the country, the area roughly corresponding to today’s region of Somaliland. The root causes of the SNM’s insurgency lie not only in the general oppressiveness of Barre’s regime, especially after the Ogaden War, but also in the increasingly harsh military administration and economic marginalization of the north.

Between 1982 and May 1988 the SNM military campaign remained a small scale revolt, but in 1988 it exploded with dire consequences for Somaliland’s population. In response to an SNM offensive, Barre’s forces heavily bombardaded the regional capital of Hargeisa killing thousands of civilians. In the end, more than 300 000 Issaq refugees fled to Ethiopia, while another half a million fled to other parts of Somalia (Clarke and Gosende 2003: 137). Towards the end of the 1980s the SNM became allied with several other southern based insurgency and liberation movements aimed at overthrowing the Barre regime, and managed to completely “liberate” Somaliland of government forces.

The third significant armed conflict in Somalia prior to 1991 pitted Barre’s armed forces against a growing number of clan-based liberation movements in 1989 and 1990, and took place concurrently with the government’s war against the SNM. This conflict marked the end of Barre’s hold on power, who by the end of 1990 scarcely controlled anything outside the capital and was derisively called “the Mayor of Mogadishu” (Meredith 2006: 469; Clapham 1998: 151). After protracted street fighting and considerable devastation of the capital, the militias and liberation movements managed to expel Barre from Somalia in January 1991. However, Barre’s expulsion was not followed by a replacement government, but instead by a long period of violent warfare and looting. As Menkhaus has argued, the Barre regime’s “divide-and-rule tactics stoked deep interclan animosities and distrust, and are held partially responsible

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2 The SNM was founded in London in 1981 by Issaq expatriates (Bradbury 2008: 61).
for the failure of clans to unite in a post-Barre government” (2006: 80). With the fall of the Siyad Barre regime Somalia closed the curtain on a dark and catastrophic episode of its national history, the repercussions of which are still felt today. Unfortunately what was to follow did little to improve the livelihoods of the majority of the population, and most of the country descended into another stage of civil war which has resulted in the political fragmentation of Somalia still present twenty years later.

**Somalia and Somaliland since 1991**

The post-Barre war which may have begun as a struggle for control of the government, quickly turned into predatory looting and banditry by various militias. Somalia was also hit by a massive famine in 1992, and in March 1993 the US and UN intervened in the country with a view to helping the famine and war ravaged country. However, after the infamous and highly publicized 1993 “Black Hawk Down” incident in which Somali militias downed two US helicopters and killed 18 soldiers, the US had had enough of Somalia and withdrew its troops from the country in March 1994. Soon after the UN followed suit, leaving the country at the mercy of its own warring parties and clan supported militias (Clarke and Gosende 2003: 143-145).

Since 1995, armed conflict has continued to plague south and central Somalia, but the nature of the conflict has changed. From 1995 to 2006 the majority of armed conflicts in the country occurred locally, pitting subclans against one another, and the duration and intensity of these conflicts was diverse (Menkhaus 2006). In the north-east of the country, regional authorities formed the state of Puntland, which considers itself part of a Federal Somalia. Notwithstanding its problems with piracy, Puntland has developed a semi-autonomous state-like structure which allows it to foster a more secure and peaceful environment than that in central and southern Somalia.
The Transitional Federal Institutions of Somalia and the current government

Although Somalia has been without a functional central government for the past twenty years, there have been international efforts to create one. Between 1993 and 2003, thirteen international conferences on Somalia were held, each with a task of somehow developing or forming a central government (Bradbury 2008: 49). The Djibouti conference on Somalia held in 2000 in the town of Arta did manage to give birth to a Transitional National Government (TNG) of Somalia, but this first “national” government had difficulties gaining even basic support in Mogadishu where it literally controlled only a few streets, and never established any meaningful authority.

In 2004 there was another international conference on Somalia (the Nairobi based Somalia National Reconciliation Conference), and it resulted in the formation of the successor to the previous national government; the Transitional Federal Government (TFG) of Somalia. Up until August 2012, when its mandate ended, the TFG remained the internationally recognized government of Somalia, and since the September 2012 presidential elections Somalia has been headed by a new president and prime minister, and new (no longer transitional) Federal Government. However, although this new installment of a Federal Government in Mogadishu may be seen as a step in the direction of finally building a permanent Somali government, it is important to note that the new president was not elected by the people (in a popular vote) but by the new Somali parliamentarians, who in turn were also not elected by a popular vote, but by a selected group of elders from Somali clans (BBC 2012c, Al Jazeera 2012). In fact, the very survival of this government, much like that of the TFG before it, is still heavily dependant on international funding and military support.
Sharia courts and Al-Shabaab

From the late 1990s onwards much of south Somalia experienced slight improvements in local systems of governance. In certain areas local polities, generally comprised of Sharia courts sprung up, providing some amount of law and order to the population. Sharia courts first emerged in northern Mogadishu in August 1994 and were local, clan based initiatives funded by local Muslim clerics or businessmen, aimed at providing a degree of law, order and security in a stateless environment (Mwangi 2010: 89). The resources of these courts were usually derived from a combination of private contributions and taxation of various business and militia activities.

By late 2005, eleven clan-based Islamic courts were established in Mogadishu alone; some favouring radical Islam, others embodying a more traditional character (Mwangi 2010: 90). These courts formed a loose coalition dubbed the Union of Islamic Courts (UIC), which in June 2006 defeated the various clan based warlords who had effectively reigned over Mogadishu since the early 1990s, and restored a high degree of peace to the capital; a feat neither the warlords nor the internationally backed TFG were capable of. For the first time since the collapse of the Somali state, an organization managed to unite Mogadishu and deliver relative peace and security to its population. However, the success of the UIC was perceived as a threat by the TFG and Ethiopia, both of whom claimed that the UIC’s leadership included Muslim terrorists implicated in bombings in Ethiopia and Kenya, a claim reiterated by the US (Lewis 2008: 88). The rule of the UIC which had, for the first time since the late 1980s, brought relatively centralized political governance to south Somalia was brought to an end by the 2006 US supported Ethiopian invasion.

The Ethiopian invasion seemed a success when UIC troops retreated from direct battle, but the Ethiopians soon became bogged down in intense street-fighting in Mogadishu. Once the Ethiopians withdrew in 2009

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3 Sharia courts generally administer Islamic Law (Sharia), and in some instances offer the parties a choice between the application of Sharia or Somali customary law, the Xeer (Menkhaus 2006: 85-86; Johnson and Vriens 2011).
4 In addition to providing logistical and intelligence support, in 2007 the US also actually bombed UIC positions in Somalia (Reynolds 2007).
the TFG quickly lost control of south Somalia. What sprung up from the remnants of the UIC, and is currently in control of parts of southern Somalia is the loosely affiliated Al-Shabaab group. This affiliation of militias and clan-based groups is designated as a terrorist group by the US and other Western governments because of its links to Al-Qaeda (Al Jazeera 2011).

The African Union Mission in Somalia (AMISOM) military force has been fighting Al-Shabaab for supremacy in south and central Somalia, and remains the main military force backing the current Federal Government of Somalia. The Somali government depends on Ethiopian and AU (including Kenyan) forces to defeat Al-Shabaab, and even though Al-Shabaab has been forced out of Mogadishu, its ultimate defeat is far from imminent.

Developments in Somaliland since 1991

In contrast to events unfolding in the south of Somalia, the northern regions of the country did not suffer such large-scale warfare and devastating plunder and famine. Although the north of Somalia did suffer sporadic clan infighting and severe economic hardship, towards May 1991 a surprising degree of peace between Issaq (the predominant Somali clan in Somaliland) and non-Issaq clans in the region was secured through the mediation of traditional clan elders. At the May 1991 Grand Conference of the Northern Peoples in Burco, Somalilanders declared the region’s independence from the south proclaiming the Republic of Somaliland (ICG 2003: 9).

The Republic of Somaliland, roughly the size of England and Wales, faced grave obstacles upon its declaration of independence. Although the main and highly beneficial consequence of its declaration of independence was the avoidance of being dragged into a protracted conflict raging in the south, it had considerable problems of its own. Its territory was devastated by a decade of insurgency and war; it lacked revenues, financial institutions, social services, or direct international support; and half of the population was displaced or living in refugee camps (Bradbury 2008: 77).

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5 Al-Shabaab formally joined Al-Qaeda in 2012 (BBC 2012a).
In order to understand much of the rationale for Somaliland’s aspirations towards international recognition, and its view that the country deserves recognition, we need to understand the stark contrast between Somaliland and Somalia in terms of internal state-building developments. The road to peace in Somaliland was paved by many peace and reconciliation conferences and clan elder meetings. Such conferences were concerned with constitutional issues and aimed at agreeing a framework for power sharing amongst Somaliland’s clans, creating mechanisms for the participation of clan elders in government, structuring institutions of government, and establishing ways of maintaining security (Bradbury 2008: 96). It was at one such conference, the Conference of Elders of the Communities of Somaliland (also known as the 1993 Borama Conference) that delegates and elders established the three main branches of Somaliland’s government: an executive comprised of a president, vice-president, and council ministers; a bicameral parliament composed of elected representatives and a council of elders; and an independent judiciary (Bradbury 2008: 98-99).

While Somaliland did experience a flare up of hostilities and local conflict in late 1994 and early 1995, the government has on the whole managed to provide for a large degree of security. It is the innovative blend of state and non-state actors in local governance that has managed to maintain security in Somaliland and allow the government the focus and intervene only on issues of direct threat to the stability and integrity of the country as a whole (Hagmann and Hoehne 2009: 49). This stands in stark contrast to the situation in most of south and central Somalia, where notwithstanding AMISOM’s recent success against Al-Shabaab, security and governance in the past two decades has been very local and community/clan based, and highly fragile.

Somalilanders believe they have earned a right to international recognition because of their significant achievement in governance and democratization.\(^6\) Somaliland currently boasts most attributes of a democratic state: a constitution that enables a peaceful transition of government (most notably when President Egal died in 2002 and

\(^6\) In a 2001 policy document requesting international recognition, the Somaliland Government explained why it did not engage with Somalia representatives in negotiations at the 2000 Arta conference in Djibouti, explicitly stating that Somaliland “could only cooperate with a counterpart who had attained the same level of stability and legality, and who was conducting the affairs of his area through constitutional institutions and a system of justice based on established laws” (Somaliland Government 2001: 43).
the presidency was legally conferred to his vice-president Kahin), and guards civil liberties; a government in which the executive and legislative branches have been controlled by different political parties; active civic organizations; and a relatively free and independent media (Bradbury 2008: 218; Somaliland Times 2002; Hagmann and Hoehne 2009: 52). Independent observers have reported favourably on the election processes in Somaliland in 2005 and 2010 and these elections have served to further institutionalize Somaliland’s separation from Somalia and highlight the gap between Somaliland’s democratically elected governments and Somalia’s non-democratically elected Federal Government (Bradbury 2008: 218; Kibble 2007; Walls and Kibble 2011). Somaliland’s government draws its legitimacy from the people, and this is greatly aided by the fact that none of the very limited amounts of aid reaching Somaliland are administered by the government, which has in turn forced Somaliland’s political elites to develop relatively accountable and representative institutions (Eubank 2012: 468).

However, it must be noted that the state-building situation in Somaliland is not without issues: there are problems in aligning the goals and objectives of the elected representatives and non-elected elders in the bicameral parliament, issues with recent presidential elections (which include charges of vote rigging and problems with the transfer of power), and disputes with the government of Puntland over the bordering regions of Sool and Sanaag. Nevertheless, for such a young democracy with a very troubled past, Somaliland has set firm foundations for a successful future. Although the country is still faced with international isolation, its example as a stable democracy that has survived for over 20 years, and a bottom-up locally engineered system of governance that highlights the ability of Somali people to govern themselves effectively makes calls for its international recognition ever more pressing.
Egypt

Egypt’s relationship with, and in interest in, Somalia can only be understood vis-à-vis its relationship with Ethiopia. As Jhazbhay states “Egypt has a long historical interest in Somalia and has in the past used Somalia as a pawn to distract Ethiopia” (2007: 246). Egypt’s main concern is the Nile River which constitutes the lifeline of the country. With some eighty six percent of the water reaching the Aswan Dam emanating from Ethiopia, the Egyptian leadership wants to maintain “maximum leverage over Ethiopia” (Shinn 2002: 4-5).

Egypt was a staunch supporter of Somali unity and the TFG in Mogadishu; a policy in line with its desires for a strong and unified Somalia which may even one day re-assert its claims over Somali populated areas of Ethiopia, thereby adding to Egypt’s leverage (Shinn 2002: 5). Moreover Egypt’s enthusiastic support for the interim rulers in Mogadishu has “been matched by its hostility towards Somaliland” (Geldenhuys 2009: 142). Egypt has supported the 2000 Arta process which gave birth to Mogadishu’s transitional political entities and strongly opposes an independent Somaliland. An Egyptian envoy visited Somaliland in October 2002 and urged the government to participate in the Kenya sponsored talks on Somali unity. However, such proposals were turned down by Somaliland’s president who reminded the Egyptian envoy that his country was one of the first states to recognize Somaliland’ independence back in 1960 (Shinn 2002: 5).

Egypt’s opposition to Somaliland’s independence dates back to the early 1990s, and the days of UN Secretary General Boutros Boutros-Ghali. John Drysdale, a notable UN delegate and scholar of Somaliland, recounted in a 2004 workshop in Somaliland how Boutros-Ghali tried everything in his power to prevent and reverse Somaliland’s declaration of independence, even going to the extent of making a bid via the UN to have Egyptian troops deployed in Berbera as part of a “peacekeeping” presence that would have given Egypt a major strategic military foothold in the Horn of
Africa. This was part of an attempt to have a UN resolution passed which, according to Drysdale, would have declared the “territorial integrity” of Somalia, inclusive of Somaliland (quoted in Jhazbhay 2007: 279).

As if to add to the complexities of Somaliland’s precarious international position, Egypt’s concerns about Somalia have to a large extent expanded into wider Arab League interests in the region (Jhazbhay 2007: 276). The Arab League, of which Somalia is a member, has been a strong supporter of the TFG and Somali unity, and opposes Somaliland’s independence. This situation is complex because Gulf States pose a large dilemma for Somaliland. Traditionally Saudi Arabia has been a large importer of Somaliland livestock, but has for the better part of the past fifteen years banned Somaliland livestock imports on the basis of Rift Valley Fever infection (Shinn 2002: 4). While Somaliland does not view the Arab League favourably, mostly due to its support for the TFG, it still needs to plot a non-confrontation course due to its dependency on Saudi demand for the country’s livestock.

South Africa

Of the African states not neighbouring Somaliland, South Africa has emerged as the main state “willing to entertain Somaliland’s case for international recognition” (Jhazbhay 2007: 284). This view is motivated by several reasons. In April 2003 the Office of the Chief State Law Adviser, Department of Foreign Affairs of South Africa authored a legal brief on “Somaliland’s Claim to Sovereign Status”. The brief found that “it is undeniable that Somaliland does indeed qualify for statehood, and it is incumbent upon the international community to recognise it” (quoted in Jhazbhay 2007: 258; also see Clapham et. al. 2011: 24). Therefore, since 2003 the South African government has been made aware by its own legal staff that Somaliland qualifies for statehood, and this has influenced the government’s stance on understanding, rather than dismissing, Somaliland’s recognition aspirations.

Instead of not allowing dissident nationalists any discussion quarter, the South African government since 1994 has traditionally been motivated by “a diplomacy of conflict resolution and reconciliation”, and made itself “open to consultations with all parties involved in such intractable
conflicts” (Jhazbhay 2007: 284). South African media have been somewhat impressed by the abilities of Somaliland’s leaders in stabilizing the country, especially when contrasted with Somalia, and in the past decade Somaliland has enjoyed an especially close relationship with South Africa (Ibid.: 285; ICG 2006: 14).

Both previous Somaliland presidents Egal and Kahin have made several official visits to South Africa, and the medical treatment of late President Egal in a South African military hospital in Pretoria, where he eventually died, is indicative of a close relationship between the two states. Further indication of this close relationship is the fact that the South African Department of Foreign Affairs would even investigate Somaliland’s case for independence in the first place, especially in light of the AU’s and most African states’ reluctance to engage with secessionist movements which may violate territorial integrity of AU member countries. South Africa may still be unwilling to take the first step in recognising Somaliland, but as a rare state which has fostered a long term engagement with Somaliland, it has encouraged and influenced the AU to send fact finding missions to the country and remains a key ally in the AU (Bradbury 2008: 255).

**The Players II: Horn of Africa neighbours**

**Ethiopia**

Ethiopia currently stands as the most strategic (and perhaps most sympathetic) African actor in Somaliland’s recognition bid. In the murky world of international relations and political calculations Ethiopia has several concerns in mind when dealing with Somaliland. These issues can broadly be divided into three overlapping categories: Ethiopia’s own needs and bilateral relationship with Somaliland, Ethiopia’s security calculus vis-à-vis Somalia in general, and Ethiopia’s geo-political calculus vis-à-vis Egypt and the Arab League.
During the 1980s, Ethiopia directly and indirectly aided the Somali National Movement in its struggle with the Siyad Barre regime by allowing it sanctuary on Ethiopian territory (Bradbury 2008: 61, 62, 93). Since the fall of Barre, and Somaliland’s declaration of independence, Ethiopia has become a close partner to Somaliland, especially as the two countries are closely connected by issues of Somali pastoralist migration, refugees, and the Khat trade.\(^7\) It has been in the interest of both countries to deal with the refugee and pastoralist grazing rights questions, and this cooperation has brought them both benefits. Also, Ethiopia is Africa’s second largest country in terms of population, yet it is a land locked country, and in order to feed its rapid development is in desperate need of sea outlets for purposes of trade and energy security. Somaliland, on the other hand, is in dire need of business for its ports, and its main port of Berbera offers a valuable outlet for Ethiopia’s needs.

Ethiopia has signed various bilateral trade agreements with Somaliland, has opened a liaison office in Hargeisa (allowing Somaliland to do the same in Addis Ababa), and is interested in upgrading the road infrastructure linking Ethiopia and the Somaliland port of Berbera where it expects some 20 percent of its trade to flow through (CNN 2000; ICG 2006: 2; Jhazbhay 2003: 79; Jhazbhay 2007: 263). In August 2003 the European Union for the first time shipped food aid to Ethiopia through Berbera. It was reported at the time that some 15 000 tons of aid had arrived in Ethiopia without “a hitch”; according to then President of Somaliland, “a testimony for the credibility and confidence on the security situation” (AFP 2003). The significance of Berbera for Ethiopia is great; the congestion of the Djibouti port is a serious problem, and Ethiopia’s troubled relationship with Eritrea means it can never plan long-term use of Eritrean ports. However, the 2012 announcement of the development of a joint South Sudan, Ethiopia, and Kenya Lamu port and oil refinery may in the future threaten Ethiopia’s dependence on Somaliland’s ports (BBC 2012b).

On the other hand, Ethiopia has also, in 2006, upgraded its representation in Hargeisa at the ambassadorial level (Jhazbhay 2007: 264). This should be seen against the current of regular diplomatic visits by Somaliland officials to Addis Ababa, but also by reciprocal visits of Ethiopian officials

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\(^7\) Khat (Catha Edulis) is a chewable plant which can be considered, depending on whom one asks, a mild stimulant or a serious drug. For the significance of Khat for Somaliland’s economy and the extensive links between Khat traders in Ethiopia and Somaliland see Hansen 2010: 594-595.
to Somaliland. This close bilateral and diplomatic relationship is a strong boost for Somaliland’s recognition aspirations, especially as Ethiopia is an important AU member and regional power.

Ethiopia’s security calculus vis-à-vis Somalia is generally motivated by a concern for Somali irredentism, and regional stability. Its close relationship and unofficial recognition of Somaliland should be seen as an effort in recognising and supporting regional stability, and guarding itself from a resurgence of Somali irredentism (which was the main cause of war between the two countries in 1978-79). Somaliland has emerged from post-Barre Somalia as the most stable and secure political entity, and its stability has allowed the return of many Somali refugees from Ethiopia. By recognising, or fostering hope in future recognition of Somaliland, Ethiopia strengthens the case for a confederative or federal Somali state which may not constitute as big of a threat to Ethiopian interests as a united Somalia could.

Finally, the importance of Ethiopia’s geo-political calculus vis-à-vis Egypt and the Arab League needs to be understood in its full context. As Jhazbhay notes:

The diverse Somali protagonists, Somaliland included, are essentially proxies in what has been a long and protracted geo-political power-struggle between the Nile Basin powers of ‘downstream’ Egypt – dependent as it is on the Nile in terms of its security interests – and its Arab League allies, and ‘upstream’ Ethiopia. The latter’s land-locked status and sense of encirclement by Arab-Islamic forces drives its vested interests in the outcome of the Somali question. Hence Ethiopia’s vested interest in a federalist resolution of conflict throughout the Somali region, as a safeguard against any future resurgence of Somali irredentism and Egypt’s vested interest in a Somali unitary state throughout the entire expanse of the Somali coast, including Somaliland, as a bulwark against Ethiopia and any possibility that Addis Ababa might disrupt Egypt’s access to Nile waters (2007: 259-260).

This proxy struggle between Ethiopia and Egypt although difficult to discern at times, is a real and delicate aspect of the Somaliland question. Both countries favour a particular settlement of the Somali question (Ethiopia a confederation or federation, and Egypt a unitary centralised state) and
try and shape political developments in Somalia to suit their own strategic and security interests.

Ethiopia has so far positioned itself well by building considerable influence with the Somali Federal Government (and the previous TFG), while at the same time building strong relations and ties with Somaliland. This allows the Ethiopians to keep a finger on the political pulse of Somalia and always be informed about developments which may go against their interests. However, on the other hand, Ethiopia is also very weary of antagonising Arab League powers and Gulf States, due to its heavy economic interdependence on the Gulf region, and this is one of the reasons why it is unlikely to go it alone in recognising Somaliland (Jhazbhay 2007: 261).

Officially, “Ethiopia is unwilling to be the first to recognize Somaliland. Somalia would immediately attribute nefarious motives to Ethiopian recognition of Somaliland, arguing that it wishes to balkanize Somalia and weaken Somali unity” (Shinn 2002: 4). Unofficially, Ethiopia has raised the issue of extending Somaliland some form of recognition, and appears keen on advocating at least partial recognition for Somaliland. According to a leaked diplomatic cable from the US embassy in Addis Ababa, in a January 2009 meeting with US Air Force Assistant Secretary Phil Carter, the Ethiopian Prime Minister Meles Zenawi proposed Somaliland be extended some form of “semi recognition”:

… Prime Minister Meles made the case for ‘semi-recognition’ of Somaliland as a critical step necessary to enhance the international community’s ability to support Somaliland on regional security/stability and in its own domestic efforts toward democratization. Meles argued that the international community’s status quo relationship with Somaliland is untenable and that Somaliland needs a way around the issue of legal recognition to allow the international community to ‘recognize some authority within Somaliland with which it can engage.’ … Meles argued that Somaliland’s democratic process cannot be sustained without some kind of interim recognition which can allow for the provision of international assistance to bolster Somaliland’s own democratic process. Meles noted that he has already broached the notion of an interim- or semi-recognition, along the lines of what the Palestinian Authority enjoys, with Somaliland President Kahin Riyale,
and that Riyale has become increasingly receptive to the strategy. Meles argued to Carter that the next steps must be for others in the international community to help convince the Somalilanders of such an approach. Then, Somaliland needs a ‘good sponsor’ within the African community to advance the cause. Meles suggested that Djibouti would be the best choice, and acknowledged that Ethiopia would be the worst (as the move risked only fuelling detractors’ arguments that Ethiopia is bent on breaking up Somalia). Once the strategy had support among African states, Meles argued that the onus would be on the U.S. and UK to make the Somaliland semi-recognition case to the Europeans and others in the international community (United States 2009a).

As noted in the cable, Ethiopia sees itself as the worst choice of a first country to extend Somaliland some form of de jure recognition and this was already stated by Zenawi in 2006 at a roundtable discussion at the University of South Africa. As Zenawi stated back then, because of Ethiopia’s “historical baggage” on Somali issues, other countries could be more adventurous than Ethiopia in recognising Somaliland, but Ethiopia would, behind the scenes “support justice and self-determination of Somaliland” (quoted in Jhazbhay 2007: 265).

**Djibouti and Kenya**

Somalia’s last two neighbours, Djibouti and Kenya, both have a strong interest in Somali affairs, and have at some point in time played important roles in attempting to bring about/influence a political settlement in the country. As it currently stands, both countries are also officially committed to a unified Somalia, however, with varying degrees of support for Somaliland.

The former French Somali protectorate, Djibouti, is Somaliland’s north-western neighbour and some sixty percent of its population is Somali. Relations between the two countries have varied, and remain somewhat “correct but not warm”; largely due to Djibouti’s hosting of the 2000 Arta conference, and its support for the TFG (Shinn 2002: 4). Djibouti was considered one of the principal backers of the TNG in the international arena before it collapsed, and during its organisation of the Arta
conference relations with Somaliland froze (Geldenhuys 2009: 142). However, the collapse of the TNG and the triggering of the 14th attempt at reconstituting Somalia

Placed Djibouti and its Arab-backers on the defensive vis-à-vis Ethiopia’s backing for the federal ‘solution’, which emerged as the successor to the TNG... The terminal disintegration of Arta and its TNG progeny inexorably played into the hands of Ethiopia and its Somali regional coalition allies. These dynamics worked to eventually depolarize the tense relations between Djibouti and Somaliland, although the distrust that the Arta process had generated appeared to linger...(Jhazbhay 2007: 268).

Relations between the two countries did begin to thaw, and in a 2005 trip to Djibouti Somaliland’s President was reportedly accorded an official welcome at Djibouti airport before proceeding to meet the Djibouti president at his palace. This reception “included all ceremonial symbols of an official visit by a foreign Head of State”, and was seen as an important symbolic victory to President Kahin as Djibouti was long regarded as “one of the principal opponents to the recognition of Somaliland” (Afrol News 2005). Furthermore, while still officially committed to the TFG and a unified Somalia, Djibouti has permitted Somaliland to open liaison offices in the country and engage in a range of bilateral ties, and this has given rise to the view that Djibouti is “slowly beginning to incline towards support of Somaliland’s recognition” (Jhazbhay 2007: 271; ICG 2006: 14).

However, such views may be premature. While in December 2008 Somaliland’s President Kahin was again greeted with a high-level welcoming party of Djibouti officials, and spent some four hours in discussion with Djibouti’s president, this did not bring his country closer to recognition by Djibouti (Somaliland Times 2008). Confidential US embassy cables reveal that a month after the visit, Djibouti’s Foreign Minister Youssouf clarified to the US ambassador in Djibouti that Djibouti’s policy towards Somalia continued to be guided by three principles: staunch adherence to a “one-Somalia policy” (the Foreign Minister actually stated that it would take a “major shock” to cause Djibouti to revisit this position); reluctance to be the first state to recognize an independent Somaliland (a position they already conveyed to Somaliland officials); and willingness to engage with Somaliland on a “de facto” basis in view of close trade,
cultural, and demographic connections (United States 2009a: point 3). Therefore, while Djibouti may be inclined to widen diplomatic links with Somaliland on an unofficial basis, it is still officially dedicated to a unified Somalia, and not interested in extending Somaliland formal recognition.

Kenya has a significant Somali population in its Northern District bordering Somalia, and was embroiled in a secessionist conflict with its Somali population in the mid 1960s. The country is also connected with Somalia through extensive economic and business links via its Somali Diaspora (especially in the Eastleigh district of Nairobi). Also, the string of high profile abductions and attacks conducted by alleged Somali militias along Kenya’s touristic coast in 2011 has brought considerable domestic attention to Somali affairs. Kenya’s late 2011 military incursion into south Somalia has directly involved the country in Somali political developments, where it currently supports the Mogadishu based Federal Government and has joined forces with AU troops under the AMISOM banner (AMISOM 2012).

Kenya has in the past facilitated Somali peace talks, and through its main facilitator, Special Envoy on behalf of East Africa’s Intergovernmental Authority on Development (IGAD), stated that it did not recognize Somaliland. Ambassador Bethuel Kiplagat, during the 2003 negotiations, made it clear that IGAD would pressure for a united Somalia, and that it did not recognize Somaliland (Jhazbhay 2007: 273). Although such views, coupled with Kenyan military activity supporting first the TFG and now the Federal Government in Mogadishu suggest a strong preference for a unitary solution to the Somali question, there is evidence that Kenya, similarly to Ethiopia, may favour a regionalised Somalia.

While Kenya is involved militarily in Somalia under the AMISOM banner fighting on behalf of the Somali Federal Government, that does not mean that it favours a strong centralised Somali state. Kenya’s strategy for a while now has been to carve up a semi-autonomous state to act as a buffer zone within the country, which would be controlled by a friendly Somali faction. The buffer zone region, also known as Jubaland, would be used to keep Somalia’s Islamists out of Kenya (GlobalPost 2011; The Platform 2011). U.S. Embassy cables from 2009 confirm that Somali elders, TFG officials, and Kenyan government officials had actually debated and planned the Jubaland project in Nairobi, and even Ethiopia’s Prime
Minister Meles Zenawi expressed principle support for the project (United States 2009b,c,d). In fact, according to recent reports it would seem that Kenya’s preferred Jubaland outcome has already taken place, with a semi-autonomous Jubaland state already been declared by local south Somali militias (News 24 2013; Standard Digital News 2013).

It is quite possible that Kenya, much like Ethiopia, is not too keen on a united Somalia with a strong central government, and what the two countries have in common is “the necessity to maintain a stable stalemate between Somaliland and Somalia” (Jhazbhay 2007: 275). However, officially none of Somaliland’s immediate neighbours contemplate extending recognition, at least until military activities and political initiatives in Somalia do not yield a more peaceful and secure environment.

The Principal Player: The African Union

Finally, the analysis of key players in Somaliland’s international recognition game reaches its arguably most important actor. Most of Somaliland’s neighbours are quite happy to leave Somaliland’s question to be decided by the AU (knowing very well that this may sustain the status quo for a while). International donors fall in line here as well, as most of them are either not interested enough in Somaliland, or simply do not wish to be perceived as meddling in African affairs. As any recognition of Somaliland by a non-African country would be seen as neo-colonialism or unwelcome interference in African affairs, this view is understandable, especially regarding ex-colonial powers such as the UK.

So far, the AU has failed to deal constructively with the Somaliland question, and shoulders much of the blame for the country’s international isolation. If one had to use a single phrase to characterise the AU’s position towards Somaliland, it would be “bi-polar”. The mixed signals the AU has been sending Somaliland leaders in the past ten years are indicative of its bi-polar personality. The AU recognises Somalia as a full member and awarded the TFG’s representative a chair at its Assembly (now inherited
by a Federal Government official), while at the same time snubbing Somaliland’s statehood aspirations. Yet the AU’s own officials concluded that Somaliland’s case for independence has merit and should be seriously considered. As Geldenhuys concludes, the “AU has so far failed to rise to the challenge, preferring a Somaliland left in international limbo to an organization torn by such an emotive issue. Yet the AU was the very institution to which the international community turned for guidance on the future of Somaliland” (2009: 140).

While the EU, amid the bloodshed of Yugoslavia’s dissolution moved quickly to establish a set of policies governing the recognition of new states in Eastern Europe and the former USSR, the AU still lacks, in the words of one official “a common policy on issues of ‘second-generation’ independence” (quoted in ICG 2006: 14). Because of this lack of common policy, coupled with an unwillingness to create innovative ways of dealing with territorial integrity and state secession, the AU has repeatedly failed to come to terms with events on the ground in Somalia. As Bradbury concludes, the AU’s strategy in the Kenyan sponsored peace talks “was to ‘park’ the issue of Somaliland, in order to protect the stability in that region. The message from Somaliland, as always, is that it won’t wait, that it pulled out of the car park some time ago. It is steering its own course, and hopes that the international community will follow this” (quoted in Jhazbhay 2007: 250).

As early as 2002, Somaliland invited the AU to send a fact finding mission to the country (ICG 2006: 2). Its diplomats paid successive visits to the AU in 2003, 2004, and early 2005, and on that last visit Somaliland’s President Kahin sought observer status to be awarded to his country so it could better follow events on the continent and have a permanent representation at the Union. It took the AU a few years, but a fact finding mission was in the end dispatched in April 2005, and was headed by then Deputy Chairperson of the African Union Commission, Patrick Mazimhaka. The mission’s report acknowledged the peace and stability achieved in Somaliland, and was generally supportive of Somaliland’s independence claims. It stated that “the fact that the ‘union between Somaliland and Somalia was never ratified’ and also malfunctioned when it went into action from 1960 to 1990, makes Somaliland’s search for recognition historically unique and self-justified in African political history”. The mission
further recommended that Somaliland’s case “should not be linked to the notion of ‘opening a pandora’s box’”. As such, the AU should find a special method of dealing with this outstanding case, and noted that “the lack of recognition ties the hands of the authorities and people of Somaliland as they cannot effectively and sustainably transact with the outside to pursue the reconstruction and development goals... the AU should be disposed to judge the case of Somaliland from an objective historical viewpoint and a moral angle vis-à-vis the aspirations of the people” (African Union 2005).

The observations of the AU’s 2005 fact finding mission to Somaliland were generally positive, and left the Union with a clear recommendation: judge Somaliland’s case on its own merits, and don’t use the notion of “opening a Pandora’s box” as an alibi for not dealing with this issue. However, Somaliland’s bid for observer status to the AU was unsuccessful, and the AU never actually gave Somaliland any feedback following its 2005 fact finding mission (Clapham et. al. 2011: 11). In fact, Somaliland’s future status was discussed by AU foreign ministers in 2006, and Kenya, Rwanda, and Zambia contributed to the debate and discussion by stating “that the Somaliland peace and stability has to be acknowledged and recognized, and that the African Union has to find a way to reward and consolidate its stability and its emerging democracy” (Voice Of America 2006). Furthermore, at an AU Executive Council Meeting in Addis Ababa in January 2007, the then Chairman of the Executive Council from the Republic of Congo concluded that

...there is a reality in Somaliland that cannot be ignored. .... We cannot afford to close our eyes or shy away from that reality. It is in the interest of Africa to pay attention to these issues. There were positive developments in Somaliland, including the restoration of stability and peace, the establishment of democratic institutions and processes and the efforts deployed internally towards reconstruction. Some of these achievements in Somaliland should inspire the rest of Somalia. This is an issue that is now known to the African Union policy organs and it should be discussed at an appropriate time (quoted in Somaliland Times 2007).

Later in the same year, Alpha Konare, Chairman of the AU Commission, told the body’s Executive Council that the African continent had to deal
with the reality of Somaliland’s existence and to engage with its unsettled international legal status (Ibid.). Unfortunately, since then nothing new has happened and the issue of Somaliland at the 2008 AU summit in Accra was relegated to “any other business” on the agenda (Clapham et.al. 2011: 11). The only relatively positive development (for Somaliland) since then took place in 2010, when the Peace and Security Council of the AU directed the Commission’s Chairperson to “broaden consultations with Somaliland and Puntland as part of the overall efforts to promote stability and further peace and reconciliation in Somalia” (quoted in Clapham et. al. 2011: 11). However, what this actually means for Somaliland’s independence is unclear and hardly constitutes a new strategy of engagement with the country.

So far, it would seem that there are elements at the AU level which do favour a resolution of the Somaliland question. As one senior AU official noted back in 2006, “For fifteen years Somaliland has been told to wait until a stable government is established in the South. They should not have to wait any longer....Somaliland has a right to have its case heard, and as African leaders we have a duty to listen to what they have to say” (quoted in ICG 2006: 3). However, the AU’s stubborn unwillingness or inability to deal with this issue leads us right back to the bi-polarity of its dealings with Somaliland. For, although the sporadic rhetoric coming from some AU officials might favour dealing with Somaliland and possibly extending its some form of recognition, the wider policies of the organisation actually work in a different direction.

The AU has in the past decade developed an integrationist trajectory for African inter-state relations. What currently tops the AU agenda is political and economic development and regional integration. This means that, as Jhazbhay states, “within this context of continental ‘African unity’, all outstanding African self-determination questions will have to be re-thought and re-conceptualised in terms of how they contribute to or detract from African integration, and reinforce or overcome Africa’s already debilitating fragmentation” (2007: 252). This is one of the reasons why, for example, Ethiopia is unwilling to initiate any major diplomatic moves towards recognising Somaliland as the regional integration in East and North-East Africa is still in the air in terms of how it will be economically and politically configured. So the AU’s drive towards greater regional
integration works directly against Somaliland’s secession, because Somaliland’s case directly challenges the AU’s integrationist discourse.

While the AU does maintain contacts with the Somaliland government, its “continental internationalist agenda, linked to the evolution of ‘regional integration communities’ among its sub-regions, is likely to rule out AU official recognition of Somaliland no matter what the legal and political case for such decisions might be” (Jhazbhay 2007: 288). Somaliland’s future recognition, therefore, is unlikely to come from the AU if it devotes itself blindly to its integrationist ideology. However, with the recent push by foreign donors for anti-piracy activities in Somalia, and their growing recognition of Somaliland’s importance for regional stability and battling piracy, the AU may be pressured or disposed to develop a somewhat different approach to Somaliland. The AU may be slow to react, but it is not completely blind to developments on the ground, and Somaliland’s potential role in stabilizing the Somali coast could eventually win it more support in the Union. The main problem for the AU, and worst case scenario, could be a situation where member states decide to break away with its ineffective Somalia policies and individually recognise Somaliland. This could have profound consequences for the organisation’s stability and credibility, and create considerable tensions within the Union itself.

To sum up, we should examine Somaliland’s prospects for recognition by the AU. As it currently stands the AU troops in Somalia are in effect the “army” of the Mogadishu based Federal Government, and in that regard, the AU is in fact a warring party heavily supporting a unified Somalia. Therefore, currently the AU is not interested in recognising Somaliland. Even a limited concession such as awarding Somaliland observer status at the AU is too innovative for the organization to entertain. For Somaliland to be taken seriously by the AU “it must persuade the organisation that its request is justifiable under international law, serves the greater interest of the AU as a whole (or at least of enough individual member states to swing a vote) and would contribute to the stability and development of the region” (ICG 2006: 10). Somaliland is already treading along that path, and key AU states such as Ethiopia and South Africa might consider assessing Somaliland’s recognition case “in terms of how this could either contribute to or detract from advancing the stability of the Somali coast and, based on such an assessment, whether or not Ethiopia and South
Africa, together with the AU, could fashion a diplomacy of reconciling Somaliland and Somalia accordingly” (Jhazbhay 2007: 303). However, such developments depend on many factors completely outside of Somaliland’s control, and this examination of the AU’s stance towards Somaliland is a good indication of the complexities and obstacles Somaliland faces in achieving international recognition.

Conclusions

The purpose of this article has been to analyse the roles of key players in Somaliland’s recognition game, and examine their positions on the territory’s independence. The article has attempted to explain why Somaliland’s international recognition is still lacking by trying to shed a light on the often murky world of African international relations, especially the relations between key African states and Somalia/Somaliland.

Somaliland’s relationship with African states in the neighbourhood and beyond is complex. South Africa remains the most willing non-neighbour state to entertain recognition of Somaliland. Although it too officially does not recognise Somaliland (Times Live 2011), the two states have cultivated a close diplomatic relationship: South Africa has sent three election observer teams to Somaliland elections, and Somaliland presidents have travelled to the country on several occasions. Furthermore, South Africa’s Department of Foreign Affairs legal adviser actually investigated Somaliland’s claims to statehood, reporting favourably that the territory was indeed entitled to international recognition. South Africa remains one of the few states, in addition to Kenya, Djibouti, and Ethiopia, which recognise Somaliland travel documents (Clapham et.al. 2011: 22).

Ethiopia and Egypt are locked in a strategic diplomatic proxy war over Somalia’s fate, and this is evidenced by their respective positions on Somaliland. Egypt does not recognise Somaliland, and was one of the main backers of the TFG, either bilaterally or through the Arab League. Ethiopia, on the other hand, is happy to officially maintain the status quo
of not recognising Somaliland, while behind the scenes working very closely with Somalilanders on forging close trade and diplomatic ties. Ethiopia remains the most favourably disposed African country towards Somaliland’s recognition, and has a long history of good relations with Somaliland’s leadership. While Ethiopia is unlikely to recognise Somaliland without AU support, it is also a key player in the AU, and can use its influence to Somaliland’s advantage. However, because of its “historical baggage” with Somalia, it is very reluctant to be the first country to recognise Somaliland.

For the time being Somaliland’s neighbors (Kenya, Djibouti, Ethiopia) are quite happy keeping the status quo as it allows them to manipulate the political leadership in Somalia (which was either put in place by their diplomacy or is currently kept in place by their military) while at the same time staying in good relations with Somaliland. Regional strategic interests of Somaliland’s neighbors trump Somaliland’s recognition aspirations and until these two factors are aligned more closely the situation regarding Somaliland’s recognition is not likely to change.

None of the above discussed African countries are willing to act on Somaliland’s recognition without the AU’s sanctioning first. This makes the AU the principal player in Somaliland’s recognition game. The AU is currently not interested in Somaliland’s recognition, and while its troops are heavily involved in supporting the Federal Government in Mogadishu, it is unlikely that this situation will change anytime soon. The AU’s record of sending mixed signals to Somaliland is a reflection of the lack of unity within the organisation on how best to proceed in dealing with Somalia, and is also indicative of a lack of idea on how to reconcile its policy of regional integration with the realities on the ground in Somalia which may not favour such discourses. In the end, it would appear that Somaliland’s international recognition is not a pressing issue for anyone but Somaliland, and this may be the main reason why its international recognition is still lacking. Also, the fact that no African country seems to be ready to be the first to recognize Somaliland (while many are happy to be the second) may yet prove the most considerable obstacle for Somaliland’s recognition in the foreseeable future.
Bibliography


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Rising Myanmar: US involvement, power rivalry and new hopes for Bangladesh

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Abstract

President Obama’s symbolic and landmark visit to Myanmar bolsters the U.S. policy shift in Asia; an extremely significant step to firm up his Asia-Pacific policy, often described as a “pivot” to the region. Analysts have termed this visit a perfect fit in the larger geopolitical chess game by the Obama administration, which has sought to counter rising Chinese assertiveness by engaging its neighbours. With the transfer of power from an authoritarian government to a civilian one in March 2011, Myanmar embarked on a slow political liberalization. As Myanmar emerges from decades of isolation it generates much hope for the global and regional communities. Being the only other neighbour of Bangladesh besides India, Myanmar can usher new hope and possibilities for Bangladesh since both countries have outstanding issues. This article briefly tries to assess the underlying setting of the U.S. policy shift in greater Southeast Asia and particularly in Myanmar, the significance of this visit, how the other contenders of influence eye this increasing U.S. involvement, and finally the benefits it may yield for its neighbours, especially Bangladesh.

KEY WORDS:
Policy shift, contenders of influence, geopolitics, Bangladesh
Introduction

When, in 2009, President Barack Obama took office he inherited a wide array of overwhelming foreign policy challenges: an out-of-control war in Afghanistan, an impaired counterterrorism partnership with Pakistan, instability in Iraq, a potent threat from Al-Qaeda, a fragile Israel-Palestine peace process, an arrogant nuclear Iran, a wrecked relationship with Russia, and an aggressive North Korea. Added to this was a severe financial predicament at home and abroad. Of the most significant ideals the United States uphold globally, one is promoting democracy, enabling people’s representatives to come to power. Unfortunately, the state of U.S. democracy promotion is also in peril. Intervening in Iraq and Afghanistan was closely associated with the promotion of democracy, while these moves, in contrast, tarnished the American image as a promoter of people’s power. The ramifications of this tarnished image were far-reaching: an international backlash against democracy promotion that included extremely high levels of suspicion about the democracy agenda in the Arab world, a greatly heightened reluctance on the part of European and other international democracy supporters to be associated with U.S. policies and programmes in this area, and a marked decline in U.S. public support for democracy promotion as a priority of U.S. foreign policy.\(^1\)

It is in this context that President Obama, freshly re-elected for his second tenure, underscores his desire to reorient American foreign policy more toward the Asia-Pacific region; an extremely important step to firm up his Asia-Pacific policy, often described as a “pivot” to the region.\(^2\) President Obama announced in November 2011 his plan to ‘rebalance’ the U.S. position in the Asia-Pacific region. The core of this announcement was, as he said: “as President, I have therefore made a deliberate and strategic decision – as a Pacific nation, the United States will play a larger and long-term role in shaping this region and its future, by upholding core principles and in close partnership with allies and friends.”\(^3\) He continued:


“…. I have directed my national security team to make our presence and mission in the Asia-Pacific a top priority.” The so-called ‘Obama Doctrine’ was further elaborated, explained, redefined and strengthened by various visits of Secretary of State Hillary Clinton, Secretary of Defence Leon Panetta and other officials during their visit to Asia and interactions with the Asian leaders and policymakers.⁴ According to the White House announcement the newly re-elected President would head to an annual international economic summit meeting in Cambodia and stop in Thailand and Myanmar. No sitting American President has visited either Myanmar, formerly known as Burma, or Cambodia, allowing Mr. Obama to reinforce his commitment to the region.⁵ Some observers called it the beginning of the U.S. re-engagement in the Asia-Pacific region.

Now enthusiasts can rightly point out: why this renewed U.S. interest towards Southeast Asia in general and Myanmar in particular? What significance does this visit carry? How do other contenders of influence in this region view the U.S. engagement in Myanmar, and finally, what opportunities can this visit provide for Bangladesh and what considerations does Bangladesh need to assess in order to reap the benefits of harmonizing their bilateral relations?

Southeast Asia in the U.S. geopolitical imagination

Despite America’s bad reputation in enmeshing itself in the Vietnam War, it has engaged with the Southeast Asian nations for the last 30 years. Southeast Asia is the third largest Asian trading partner of the U.S. after China and Japan, with a population of nearly 600 million and a combined economy of US$1.5 trillion in 2008. It also attracts the largest amount of U.S. investment in Asia. Southeast Asia is the route for the U.S. from the Pacific to the Indian Ocean. Southeast Asian states are the littoral nations that border the South China Sea, sometimes labelled as the ‘second Persian

Gulf’ due to its potential for huge hydrocarbon reserves. But the U.S. primacy in Southeast Asia waned with the amazing rise of China. Tensions in U.S.-China relations have thus had a considerable impact on the region, particularly in the maritime domain. Although each Southeast Asian state has developed its own set of bilateral relations with these major powers, individual states prefer not to choose between China and the United States, favouring instead a united approach through the Association of Southeast Asian Nations (ASEAN).6

U.S. interests in Southeast Asia can be categorized broadly into five key areas.7 First, the U.S. tried to preserve a stable security order in this region together with alliances for keeping away any power, regional or extra-regional, from wielding supremacy. Second, the U.S. helps a liberal international economic order to be promoted in the region. Third, big economic assistance programmes were encouraged from Washington to advance economic development. Fourth, this region was regarded as optimal ground for the U.S. for promoting its cherished ideals of democracy, human rights, rule of law and religious freedom. Last but not least, Southeast Asia’s terrorist groups were specifically targeted as part of the global war on terrorism that the U.S. had taken up after the terrorist attacks of September 11. But more than any of these overarching interests, the rise of China and the increasing positive influence wielded by ASEAN prompted the U.S. to magnify its presence in this region and recalibrate its Asia policy.

Why visit Myanmar?

Shortly after his re-election, President Obama announced his desire to head an annual international economic summit meeting in Cambodia with stops in Thailand and Myanmar. His stop in Myanmar was a historic one since no U.S. President has ever visited Myanmar, a state infamous for authoritarianism. Prior to his Myanmar visit announcement Secretary of


7 Ibid.
State Hillary Rodham Clinton’s visit to Myanmar represented a dramatic shift in policy towards Myanmar, an opening that demonstrates a new U.S. focus on Asia by building ties to a strategically important country bordering China.  

Analysts have termed this visit a perfect fit into the larger geopolitical chess game by the Obama administration, which has sought to counter rising Chinese assertiveness by engaging its neighbours. China was Myanmar’s chief international patron during the final years of military rule there, and the long-isolated country’s opening to the West comes amid a popular backlash against Beijing’s perceived influence and its role in extracting natural resources. The U.S. also wants to strengthen its ties with Myanmar for the reason that the relationship gap between the U.S. and Myanmar is too wide because the various sanctions imposed by the U.S. and other Western countries on Myanmar and China, astutely, have taken the benefit of this prolonged absence of Western states to consolidate their footing in virtually all sectors of Myanmar polity.

Nonetheless, one should not forget the unique strategic geographical setting that Myanmar enjoys. Distinctively positioned between India and China, Myanmar’s large coastline grants naval access to the Strait of Malacca, one of the world’s most vital strategic water passages, and the shortest sea route between the Persian Gulf and China. It is the key choke point in Asia. Myanmar is also strategically important for China’s ‘string of pearls’ hypothesis which is designed to counter U.S. control over the Strait of Malacca. The geopolitical map of Southeast Asia reveals that Myanmar is the strategic back door of China, a kind of soft spot underbelly. Perhaps this justifies China’s incessant involvement with Myanmar.

Keeping aside geopolitical considerations, Myanmar is important for the U.S. on other grounds as well. Myanmar’s internal deteriorated human rights scenario has always been at the forefront of U.S. concerns. America’s sole desire is to shift power from the military regime to the victors of the 1990 election. There is also the potential for state collapse in Myanmar, which in turn will only add fuel to the fire in further deteriorating instability.


to its neighbours. In the Failed States Index produced by Fund for Peace, Myanmar currently stands at number 21 as the only country from Southeast Asia, with Afghanistan at number 6 and Pakistan at number 13. Apart from state collapse, Myanmar’s narcotic production and export has become an irritant for the U.S. as the U.S. is a major destination for these illegal drugs.

With Obama’s visit to Myanmar the Myanmar government pledged to release an estimated 1,600 political prisoners, and up to November 2012 a total of 452 detainees had been freed. Observers also said that President Obama’s visit will encourage Myanmar not to engage in any sort of military and nuclear trade with North Korea. U.S. Special Representative for North Korea Policy Glyn Davies remarked: “I think that Burma’s on the right path, that they have made a strategic decision to fundamentally alter their relationship with the DPRK and to ultimately end these relationships with North Korea.” After Secretary of State Hillary Clinton’s visit to Myanmar, Washington appears to have accepted ‘strong assurance’ from President Thein Sein that Myanmar will work with the International Atomic Energy Agency (IAEA) in abiding by its Additional Protocol. Once signed, this instrument should help settle the U.S. and international fears about the possibility of a Burmese nuclear programme.

Obama ended the long-standing U.S. isolation of Myanmar’s generals, which has played a part in coaxing them into political reforms that have unfolded with surprising speed in the past few years. The U.S. has appointed a full ambassador and suspended sanctions to reward Myanmar for political prisoner releases and Suu Kyi’s election to parliament. U.S. Secretary of State Hillary Clinton stated on November 14, 2012, that President Barack Obama would discuss the deadly sectarian violence in Myanmar’s Rakhine State between Rohingya Muslims and Buddhists during his historic visit to the country, and Secretary Clinton said this unrest would “of course” feature in Obama’s talks. In effect, President Obama, in his Yangon University speech, said: “Today, we look at the


recent violence in Rakhine State that has caused so much suffering, and we see the danger of continued tensions there. For too long, the people of this state, including ethnic Rakhines, have faced crushing poverty and persecution. But there is no excuse for violence against innocent people. And the Rohingya hold themselves – hold within themselves – the same dignity as you do, and I do."  

India and China’s scramble over Myanmar

Myanmar is crucial for both India and China for a variety of reasons. India has its own set of priorities in dealing with Myanmar. Initially India was in favour of the pro-democracy movement in Myanmar after the 1990 election results were cancelled. But when Myanmar started to tilt toward China, India changed its diplomatic course as far as relations with Myanmar were concerned. However, this change of course resulted in U.S. President Barack Obama’s rebuke to India that “the Indian establishment does not do enough to promote democracy in Myanmar”. Broadly, India has five far-reaching interests in Myanmar.

Myanmar is India’s land connection to the ASEAN region and the success of India’s “Look East Policy” largely depends on closer relations between the two countries. India’s troubled Northeastern part is still insurgency prone and many insurgents take shelter in Myanmar. Hence, closer ties between the two nations will help India to combat the anti-Indian elements across borders. India eyes Myanmar as a potential source of oil and a supplier of natural gas. As Myanmar is a neighbouring country of India, it will involve affordable transportation costs and risks to India compared to importing resources from distant sources. Another important consideration for India is that a deepening relation with Myanmar will help to reduce China’s growing strategic footprint in India’s neighbourhood.


Finally, Myanmar is crucial for India’s land connectivity with the rest of the Southeast Asia region.

China primarily views Myanmar as a huge market for Chinese goods. China’s relation with Myanmar is largely driven by its ‘Go West’ strategy started in 2000. Yunnan province in China is the nearest region to Myanmar. Between 1996 and 2005, the Myanmar-Yunnan border trade accounted for about 55 per cent of Myanmar’s total trade value; and Myanmar is the largest trading partner of Yunnan. The China-Myanmar border trade has flourished in recent years. China’s exports increased 3.1 times, from US$261.2 million in 2001 to US$800.4 million in 2007.

For 60-70 per cent of its oil shipment China is heavily dependent on the Malacca Strait, a strategic waterway that connects the Persian Gulf with the South China Sea. For the security and safety of its oil shipment China has increased its presence in the region by developing special diplomatic and strategic relations with the littoral states of the Indian Ocean. China was eager to find a trading outlet to the Indian Ocean for its landlocked inland provinces of Yunnan and Sichuan, via Myanmar. The Myanmarese railheads of Myitkyina and Lashio in Northeastern Myanmar, as well as the Irrawaddy River, were potential conduits. China has provided Myanmar with generous government support and preferential loans. For the last decade, Myanmar has received economic assistance in the form of grants, interest-free loans, concessional loans or debt relief. China provides economic assistance to protect its own investment in the country and influences the junta and ethnic groups on their side to pursue economic trade with Myanmar. Since 1988, China has helped the Myanmar government build 8 out of 9 sugar mills [US$ 158 million], 20 hydroelectric plants [US$ 269 million], 13 out of 45 new factories for the Ministry of Industry-1 [US$ 198 million], and 12 out of 21 new plants for the Ministry of Industry-2 [US$ 137 million]. Also, China upgraded 6 factories for the Ministry of Industry-2 [US$ 346 million], provided 6 ocean-going vessels, and built a dry dockyard [US$25 million]. In 2006, Chinese firms built seven

out of eleven new hydroelectric plants [US$ 350-400 million].\textsuperscript{20} Intelligence analysts often say that China’s economic, political and military influence in the country has already become so strong that it would be hard for Yangon to radically reorient its foreign policy.\textsuperscript{21}

\section*{What changes can we expect?}

Against this backdrop, what changes can Obama’s visit bring in the already prevailing power calculus? Chinese Vice Foreign Minister Fu Ying reiterated that “China didn’t see as a threat Mr. Obama's planned visit to Myanmar, as part of a regional visit. We believe the U.S. is not here to threaten China, and China has no intention to pose a threat to the U.S.”.\textsuperscript{22} But there is considerable hype among the media that President Obama’s historic visit is rooted in a strategic edge to shape new relationships as part of a larger ‘shadow-boxing match’ with China over influence in the region.\textsuperscript{23} President Obama’s trip to Asia, which includes visits to Thailand and Cambodia, comes in the immediate wake of a change in China’s top leadership, which has added an element of uncertainty to relations between the superpowers. For President Obama, the trip represents a fresh effort to make good his promise to shift U.S. attention towards Asia. The Asia trip underscores Obama’s efforts to establish the United States as an Asia-Pacific power, a world view defined by 21st century geopolitics but also by Obama’s personal identity as America’s first \textit{Pacific President}.\textsuperscript{24}

\footnotesize
\textsuperscript{20} This part of the literature is entirely drawn from Tea, B. (2010). China and Myanmar: Strategic interests, strategies and the road ahead. IPCS Research Paper 26, September.
\textsuperscript{21} China’s ambitions in Myanmar. \url{http://www.asiapacificms.com/articles/myanmar_influence/} (18 November 2012).
The countries President Obama visited, Thailand, Myanmar and Cambodia, have long been considered Beijing-friendly neighbours. His immediate post-election tour to these countries inevitably fuelled anxiety to China, at least partially if not completely, and it is not unusual for Beijing to think of these visits’ aim as diminishing Beijing’s regional influence.

China observed President Obama’s visit to Myanmar most cautiously. There are certain obvious reasons for this vigilance. The U.S. engagement in Myanmar is now in an evolutionary phase and how fast the U.S. acts to eliminate sanctions and promote FDI concerns China. China is mindful about the upcoming completion of the dual gas and oil pipelines across Myanmar from the Indian Ocean to Yunnan province in China which is likely to be completed by 2013. China does not want any kind of obstacles to impede the construction of the pipelines. China is deeply concerned about the suspended construction of the Myitsone dam, a large hydroelectric power dam on the Irawaddy River in Myanmar, which is supposed to export electricity to China. Pressure from the United States might persuade Thein Sein’s government – supported by Aung San Suu Kyi’s opposition party– to terminate not only this project but other hydroelectric dams that China wants Myanmar to build. Since President Thein Sein’s inauguration in March 2011, Myanmar has jumped from a pro-China tilt to an ostensibly non-aligned position vis-à-vis the world’s superpowers. Any further movement by Myanmar away from China and toward the United States during Obama’s visit will ring alarm bells in Beijing.25 However, the good news is that not only China and the U.S. but also other regional powers including India share common beliefs that a stable and prosperous Myanmar will benefit all countries. Evidence suggests that China has even encouraged Myanmar to ease strains with the U.S. to boost economic progress.26


India as the trump card

Over the years China has ensured impressive economic growth not just in terms of monetary sense but also in the political and military arena. China has increased its defence spending, second highest after the U.S., with the ascent of its economy and a cautious eye on the Obama administration’s focus on the Asia-Pacific region. China has spats with Vietnam, the Philippines and Japan over oil and gas resources in the South China Sea, and with India it has territorial disagreement. According to the Stockholm International Peace Research Institute, China increased its defence budget for 2012 by 11.2% to 670.3 billion Yuan.27 Wary of China’s growing economic and military muscle flex, many of the countries of Southeast Asia have started to court India as their trump card against China. Proof of this argument can be found in the high-level visit of Myanmar’s President U Thein Sein and Vietnam’s President Truong Tan Sang to India as an acknowledgement of India’s role as a strategic balance keeper. India has also endorsed this unique opportunity to augment its national interest in Southeast Asia as part of her larger Look East policy. India is becoming a critical player in this evolving balance of power. Singapore’s founding father Lee Kuan Yew sees India as “part of the Southeast Asia balance of forces” and “a counterweight [to China] in the Indian Ocean.”28 More blatantly, India’s role as a strategic balance keeper was seen when India lined up with Vietnam against China’s opposition to the exploration of energy by India’s state-owned oil and gas firm in the South China Sea. This display of standing for each other improved India’s place in the Southeast Asia region. In addition, naval cooperation between India and Vietnam is heightening. Vietnam has given India the right to use its port in the south, Nha Trang, situated close to the strategically significant Cam Ranh Bay. The Burmese President showed an interest in expanding cooperation in oil and gas exploration, opening border trade, and speeding up the construction of natural gas pipelines with greater Indian investment in Myanmar’s energy sector. Seeing all these avenues of benefits, India remains opposed to Western sanctions on the country. Myanmar’s recent

moves towards democratic transition will give India a larger strategic space to manoeuvre, and compared to Beijing, New Delhi will be a more attractive partner for Burma. Hence, it is comprehensible why India has so much interest in promoting its Look East policy with such vigour in Southeast Asia.

**Significance of Bangladesh-Myanmar relations**

Of the three forms of relations between countries – conflictual, collaborative and competitive – Bangladesh-Myanmar relations have evolved through phases of cooperation and conflict; conflict not in terms of confrontation, but in terms of conflict of interests and a resultant diplomatic face-off. Being the only other neighbour besides India, this can provide certain strategic advantages for Bangladesh. It is the potential gateway for an alternative land route opening towards China and Southeast Asia other than the sea. This road link has the potentiality for a greater communication network between Bangladesh and Southeast Asian countries including Thailand, Malaysia and Singapore. Moreover, with a rich natural resource base, Myanmar is a country with considerable potential. Myanmar’s forests and other natural resources like gas, oil and stones from which Bangladesh can benefit greatly are enormous. For this reason, it is more in Bangladesh’s interest to maintain good relations with Myanmar for reasons of national security. Unfriendly relations with Myanmar can benefit small insurgent groups living in the hilly jungle areas of the southern portion of the Chittagong Hill Tracts which can cause some degree of instability in the area and become a serious concern for national security. With the amicable resolution of the maritime boundary issue, the single biggest irritant between Bangladesh and Myanmar remains the Rohingya refugees. Bangladesh has high hopes that with the amelioration of internal conditions within Myanmar this outstanding issue will also be solved one day.

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Bangladesh’s stake in ASEAN

Myanmar’s importance to Bangladesh is threefold: Bangladesh’s internal peace and security can largely be ensured through harmonious relations with Myanmar; it provides immense opportunities to foster relationships with the greater Southeast Asian region; and finally, Myanmar gives the opportunity to Bangladesh to collaborate more closely with ASEAN and the ASEAN Regional Forum (ARF). Bangladesh joined the ARF in 2006. Bangladesh needs to be an effective dialogue partner of the ARF. Bangladesh’s unique geographical location marks a natural bridge between South and Southeast Asia. Bangladesh needs to be ready to support all initiatives and efforts to sustain and strengthen bilateral ties in every possible direction. Bangladesh has generally admired the success of ASEAN, especially in comparison to SAARC, and should follow, in some way or another, the steps taken by ASEAN countries towards building infrastructure, poverty alleviation, tourism and overall regionalism, though SAARC has been in existence for a much shorter period. Bangladesh shares a common historical and cultural heritage with the ASEAN nations. Its overall economic and social indicators are not bad compared to those of the new members of ASEAN. Bangladesh’s economy is almost equal to the size of the combined economies of the new members of ASEAN and so is the size of its population. Moreover, the country links Southeast Asia with the comparatively vast market of South Asia. Myanmar has already been accepted as an observer to SAARC and Myanmar has pledged to support Bangladesh for her increased engagement to ASEAN. Against this backdrop, Bangladesh has much to gain from Myanmar’s increased support with respect to ASEAN and Myanmar can gain similar benefits from Bangladesh with respect to SAARC. The greatest motivation for Bangladesh to maintain friendly and collaborative relations with Myanmar is that the majority of the exports (on average 86%) of Bangladesh has occurred with EU and NAFTA countries, but this is risky due to uncertain problems related to exporting to these countries and our dependency on them, which may cause serious damage to our economy. So, improving trade performance with Eastern countries, especially with ASEAN countries, can reduce the dependency on exporting to the West.

Concerns for Bangladesh

With the transfer of power from an authoritarian government to a civilian one in March 2011, Myanmar embarked on a slow political liberalization. President Thein Sein, a former military general, kicked off long-expected reforms: over 700 political prisoners were released in October 2011 and January 2012. The country’s strict media regulations were relaxed. The government also relaxed internal censorship laws and unblocked the websites of exiled radio and TV stations (Democratic Voice of Burma, Voice of America). With these reforms Myanmar has elevated its position in the international arena. As Myanmar emerges from decades of isolation it generates much hope for global and regional communities.

With regard to Bangladesh, Myanmar is one of only two neighbours. Bangladesh is overburdened with Rohingya refugees who fled from Myanmar for fear of persecution. Despite Bangladesh’s lengthy efforts to send these refugees back to Myanmar, Yangon did not pay much heed to taking these people back. But it is important to keep in mind that many matters are ostensibly more difficult under a military government than under a civilian one. As positive changes begin to take place in Myanmar, Bangladesh should take full benefit from these much expected changes. Bangladesh and Myanmar have, among others, two long-standing unsolved issues, and one of them, the maritime boundary demarcation, was resolved peacefully in March 2012 by the International Tribunal for the Law of the Sea (ITLOS). Thus, the only remaining issue is the repatriation of the Rohingya refugees. President Obama’s November 19, 2012 visit focused some light on the reconciliation of this problem. President Obama’s iteration and emphasis on resolving the Rohingya issue put pressure on part of the Myanmar government to take reconciliatory measures to settle this subject. Hence, it is high time for Bangladesh to vigorously pursue all its diplomatic strings to move forward in clearing up the matter. But, very recently Suu Kyi, Myanmar’s iconic pro-democracy leader, commented that the recent violence in West Myanmar between


Buddhists and Muslims was a “huge international tragedy”, and he said that “illegal immigration from Bangladesh had to be stopped otherwise there will never be an end to the problem”.

The Bangladesh Foreign Ministry expressed sheer “surprise at such comments since these are clearly at variance from the position of the Myanmar Government and the action taken by them to resolve the issue over the last several years”.

This comment from a much respected personality worldwide reaffirms that Bangladesh needs to work not just with the government of Myanmar but also with Aung Sun Suu Kyi to bring the resolving of the refugee issue to an acceptable solution.

President Obama’s visit will also likely usher in a gradual lift of all sanctions and has also enabled international financial institutions like the World Bank to engage in development works in Myanmar. As of November 2, 2012 the World Bank allocated US$ 245 million in credit and grant funding for Myanmar under an 18-month work plan, the first lending in 25 years. The Bank also approved an US$ 80 million grant for community-driven rural projects. This means that Myanmar is opening for foreign business and big U.S. companies – including GE and Coca-Cola – have already returned to start business in Myanmar. Bangladesh can and should take this opportunity to expand its business to Myanmar. The volume of Bangladesh-Myanmar border trade was around US$ 23 million in the 2011-2012 fiscal year (FY). Data from the commerce ministry show that in the 2010-11 fiscal year Bangladesh imported goods worth US$ 179 million and exported goods worth US$ 9.65 million. Data also show that in the 2009-2010 fiscal year Bangladesh imported goods worth US$ 69.61 million and exported goods worth US$ 10.04 million. The trade gap was in Myanmar’s favour until the last FY and the gap is expected to be narrowed down as Myanmar started to import some new materials from Bangladesh from early 2012, following the visit of Bangladesh Prime Minister Sheikh Hasina to Yangon in late 2011. Myanmar has added cement, medicine, biscuits, iron, tin and soft drinks to the import list. Bangladesh also exports steel


products, light engineering machinery, cement, dry foods and cosmetics to Myanmar. Bangladesh can import energy from Myanmar and export ready-made garments, pharmaceutical products, knitwear, jute and jute goods, and ceramics to Myanmar at competitive prices. Bangladesh’s decision to organize a “Single Country Trade Fair” in Yangon is a welcome decision in this regard. Thus, there is immense opportunity for Bangladesh to reap commercial benefits from a newly open Myanmar.

President Obama’s visit to Myanmar represents a high degree of ‘symbolism’. With his visit the EU is also planning to reconsider the possible removal of sanctions imposed earlier on Myanmar. Thus, it will not be surprising if other Western and European nations show interest in investing in Myanmar. Bangladesh should take calculated and prudent decisions to expand its business coverage in Myanmar keeping in mind its larger Look East policy.

Bangladesh must win over the negative perception that prevails among the people of Myanmar and should portray that Myanmar has much to gain from Bangladesh. Bangladesh’s extended maritime frontier, along with the future plan of constructing a deep-sea port at Sonadia Island, will make this region a regional hub and its benefits will be available to all other Asian countries, let alone Myanmar. Of course, connectivity via land, sea and air must have priority but that does not, by any means, imply that there should be less people-to-people contact between the two countries. On the contrary, mutual interactions should get a boost through various cultural exchanges, sports, education programmes, trade fairs, and other mutually beneficial activities. Fine-tuning bilateral relations between Bangladesh and Myanmar will only bring common good to the entire region. The reforms that Myanmar is currently undergoing are praiseworthy and upon their success depends much of the prospect of stability and development in the region. National reconciliation in Myanmar contributes to the strengthening of border areas and could help ameliorate the non-traditional security challenges originating from Myanmar.

Concluding thoughts

Myanmar is a country of far-reaching significance for many countries. Situated in a unique geographic juncture it has much to offer to its immediate and distant neighbours. With the amelioration of the internal governance situation in Myanmar, hopes are high that the country will now embark on a journey towards democratic principles. Now, the Myanmar government is collaborating with the iconic pro-democracy leader Aung Sung Suu Kyi. Recently, Suu Kyi visited India for six days, from 13th to 18th November 2012, at the invitation of Sonia Gandhi. As Myanmar goes through a major transition domestically, the Indian government is acutely aware that Suu Kyi and her party may likely play an increasingly important role in her country. The United States is also very sanguine about Myanmar’s journey towards democratic reforms. President Obama’s visit to Myanmar and his historic speech at Yangon University ushered in hopes for not only the USA and India but also for European countries as well as Myanmar’s immediate and distant neighbours. This has marked a significant display of policy shift by the Western nations which was sparked by Secretary of State Hillary Clinton’s visit to Myanmar. Almost all the countries, except a wary China, which wish to nurture relations with Myanmar are optimistic about Myanmar’s transition to progress. Myanmar is utilizing this transition to harness external support on the one hand and balance its relation with China. An inquisitive India and wary China have set the scene for a scramble over Myanmar. Amidst this improved situation Bangladesh should and needs to take a pragmatic and timely approach to recalibrating its relations with Myanmar. Keeping in mind the larger interests of Bangladesh in Southeast Asia, in ASEAN and the ARF, Bangladesh should rally its full support in favour of Myanmar’s much expected reforms by courting the international community and devising calculated plans to move further with an extended hand. There is no denying the fact that a more open and stable Myanmar presents the greatest opportunity to strengthen bilateral relations in an amicable manner.
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Did EU candidacy differentiation impact on the performance of pre-accession funds? A quantitative analysis of Western Balkan cases

Davide Denti

Abstract

After four years of implementation the EU funds for candidate countries, the Instrument for Pre-Accession Assistance (IPA), has shown a mixed performance, resulting in a statistically limited level of use of IPA funds in most target countries, though with some variance. This article intends to test the hypothesis linking such a differentiation with the presence or absence of the official status of candidate country. The analysis of the funds allocation levels, the funds absorption levels and the progress in administrative reforms nevertheless shows that candidacy status is neither a sufficient nor a necessary condition for a good IPA performance. Rather, the data show that the IPA funds were able to catalyse a good progress only in those target countries characterised by an average adaptation pressure, but not to spur laggards and frontrunners, recalling the hypothesis put forward by Radaelli in his analysis of the outcomes of Europeanisation.

KEY WORDS:

Europeanisation, Western Balkans, Instrument for Pre-Accession Assistance, EU candidate countries
Introduction

The paper intends to give a mid-term assessment of the achievements of the Instrument for Pre-Accession Assistance (IPA). Pre-accession assistance, in the form of EU funds for candidate countries, is part and parcel of a process aimed at fostering institutional and policy change, with the final aim of accelerating EU membership. The IPA Regulation replaces all previous instruments for both official candidate and potential candidate countries, while differentiating them on their access to assistance components and funds management decentralisation. The IPA aims at improving the governance structures and at strengthening administrative capacities, in order to prepare the candidate countries to the administrative tasks implied in being an EU member state. I operationalise its performance through three indicators: the levels of funds allocation, funds absorption, and administrative reform.

Firstly, I compare the levels of financial assistance per country both in absolute terms, and in relative (per capita) terms. Secondly, drawing from the Financial Transparency System of the European Commission, I present the amount of funds awarded to the beneficiary countries according to: (a) the country of the beneficiary, (b) the location of the action, and (c) a combination of the two, pointing to the absorption capacity of local agencies. Thirdly, I check the development of administrative capacities in target countries through the progress in establishing a Decentralised Implementation System (DIS). Such a reform is instrumental in allowing national governments to achieve accreditation by the European Commission for decentralised management and to gain access to all available budget lines under the IPA. Through the analysis of the IPA Progress Reports for 2008, 2009, 2010, 2011 and 2012 it is possible to identify the main trends. The DIS accreditation process proceeds separately for each country and IPA component through six stages, resulting in a highly differentiated pattern.

Preliminary findings show that the allocation levels are path-dependent; absorption levels vary widely, and may be linked with local administrative capacities. Finally, at mid-term, the IPA has pushed some countries to develop decentralised management of EU funds. Progress has
nevertheless proven particularly difficult in the most laggard territories (Bosnia and Herzegovina, and Kosovo), highlighting that in such cases the IPA lacks force to push for deep internal reforms. The challenge for the next budgetary period for the IPA will be to identify and address the factors hindering funds absorption and decentralised management in the laggard territories too. Likely, additional incentives will be needed for this scope.

The financial instrument of EU pre-accession assistance

Pre-accession assistance, in the form of EU funds for candidate countries, is part and parcel of a process aimed at fostering institutional and policy change, with the final aim of accelerating EU membership. The current framework for relations between the EU and its candidate countries in the Western Balkans (WB)\(^1\) is the Stabilisation and Association Process (SAP), launched in 2003, based on contractual relations (Stabilisation and Association Agreements, SAA) and financial aid through the Instrument for Pre-Accession Assistance (IPA). The IPA Regulation 718/2007\(^2\) provides an overall structure to pre-accession financial assistance for both official candidate\(^3\) and potential candidate countries,\(^4\) while introducing a differentiation in the assistance components between the two categories. While candidate countries have access to all IPA budget lines, including the ones mimicking the most closely the EU structural funds (regional development, agriculture, human resources), potential candidate countries may only accede to the first two, aimed at institution-building and regional

\(^1\) “Western Balkans” is a referent including those South East European countries which are candidate or potential candidate to EU accession in the 2007/2014 timeframe. It refers to all former Yugoslav countries, minus Slovenia, plus Albania. Besides the Western Balkans, the IPA financial instrument applies also to Turkey and Iceland; they are altogether indicated in European Commission documents as “target” or “beneficiary” countries.


\(^3\) Croatia, Former Yugoslav Republic of Macedonia (hereinafter: Macedonia), Montenegro (since 2010), Serbia (since 2012), Turkey, and Iceland.

\(^4\) Albania, Bosnia and Herzegovina, Montenegro (until 2010), Serbia (until 2012), and Kosovo (without prejudice to positions on status, and in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence).
cooperation. Moreover, while decentralised management is a stricter requirement for candidate countries, potential candidates may continue spending EU funds through centralised EU Commission management.

The structure of the IPA funds is “designed to mirror the Structural Funds” of the EU\(^5\) and they have to be managed accordingly. Their aim is to provide candidate countries with a training mechanism to set up administrative capacities and learn how to deal appropriately with cohesion and structural funds after EU accession. The focus of the IPA is therefore on institution building and on compliance with the acquis, in a full accession-driven perspective. The management system is more structured, although still flexible; it provides for a roadmap towards the establishment of the Decentralised Implementation System in each administration, final objective for all target countries.\(^6\)

Table 1 - Availability of IPA components by candidate status

<table>
<thead>
<tr>
<th>IPA components</th>
<th>Management</th>
<th>Candidate countries</th>
<th>Potential candidates</th>
<th>Cf.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transition Assistance and Institution Building</td>
<td>centralised or joint</td>
<td>(p)</td>
<td>(p)</td>
<td>CARDS Funds</td>
</tr>
<tr>
<td>Cross-Border Cooperation</td>
<td>centralised / concurrent</td>
<td>(p)</td>
<td>(p)</td>
<td>regional programmes</td>
</tr>
<tr>
<td>Regional Development</td>
<td>decentralised</td>
<td>(p)</td>
<td>(y)</td>
<td>Cohesion &amp; Regional Funds</td>
</tr>
<tr>
<td>Human Resources Development</td>
<td>decentralised</td>
<td>(p)</td>
<td>(y)</td>
<td>European Social Funds</td>
</tr>
<tr>
<td>Rural Development</td>
<td>decentralized</td>
<td>(p)</td>
<td>(y)</td>
<td>CAP / Rural Devt Fund</td>
</tr>
</tbody>
</table>

Source: Denti, op. cit., p. 32.

Cohesion policy and pre-accession aid can be understood through the prism of Europeanization and neo-institutionalism, as they require target states to evolve into “compound polities”\(^7\) by developing multi-level governance structures, according to the principles of decentralization, partnership and programming. The IPA mixes characteristics only partially


\(^{6}\) Ibid.

present in the previous pre-accession funds, to introduce the three principles, already contextually present only in the EU structural funds. In doing so, the IPA “deliberately mimic cohesion policy requirements to prepare candidate countries more effectively for managing cohesion policy post-accession”.

Table 2 - Evolution of structural principles of pre-accession instruments over time

<table>
<thead>
<tr>
<th>period</th>
<th>Instruments</th>
<th>Decentralization</th>
<th>Partnership</th>
<th>Programming</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985-1992</td>
<td>IMPs (Greece)</td>
<td>ý</td>
<td>ñ</td>
<td>ñ</td>
</tr>
<tr>
<td>1989-present</td>
<td>Structural funds</td>
<td>ñ</td>
<td>ñ</td>
<td>ñ</td>
</tr>
<tr>
<td>1994-present</td>
<td>Cohesion funds</td>
<td>ý</td>
<td>ñ</td>
<td>ý</td>
</tr>
<tr>
<td>1990-2006</td>
<td>Pre-accession instr.</td>
<td>ñ</td>
<td>ý</td>
<td>ý</td>
</tr>
<tr>
<td>1996-2001</td>
<td>MEDA (Turkey)</td>
<td>ý</td>
<td>ñ</td>
<td>ñ</td>
</tr>
<tr>
<td>2007-present</td>
<td>IPA funds</td>
<td>ñ</td>
<td>ñ</td>
<td>ñ</td>
</tr>
</tbody>
</table>

Table 2

Structural funds: ERDF, ESF, EAGGF
Pre-accession instruments: PHARE, OBNOVA, SAPARD, ISPA, EDIS, CARDS + PAI Turkey
Source: Author's re-elaboration from Bache, op. cit., p. 8.

The IPA aims at improving the governance structures and at strengthening administrative capacities, in order to prepare the candidate countries to the administrative tasks implied in being an EU member state. It is therefore possible to identify the different explanatory variables by pragmatically applying some concepts offered by the literature on Europeanisation. Scholars have focused on three perspectives on the causal mechanisms of Europeanisation, 9 under a ‘neo-institutionalist umbrella’, 10 summarised in Table 3. All the three are relevant to explain the performance of the IPA funds. In fact, rather than offering exclusive and competing approaches, they help to build a comprehensive theoretical framework. 11

8 Ian Bache, op. cit., p.7.
10 Paolo Graziano and Maarten Peter Vink, Europeanization: New Research Agendas, Basingstoke: Palgrave Macmillan, 12-13 pp
Table 3 – Theoretical perspectives on the causal mechanisms of Europeanisation

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Logic</th>
<th>Interests of the actors</th>
<th>Main factors of change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rationalist perspective</td>
<td>consequentiality</td>
<td>fixed</td>
<td>thin learning (same goals, new strategies)</td>
</tr>
<tr>
<td>Sociological perspective</td>
<td>appropriateness</td>
<td>constructed</td>
<td>thick learning (new goals, new strategies)</td>
</tr>
<tr>
<td>Historical perspective</td>
<td>path dependency</td>
<td>evolving over time</td>
<td>timing and practices</td>
</tr>
</tbody>
</table>

“Europeanization results from a distribution of power resources between actors in the domestic arena as a result of engaging with the EU”

“Network governance provides the potential for a deeper transformation of actor behaviour and preferences”. Regular interaction can generate trust through socialisation, promoting problem-solving rather than bargaining.

Europeisation derives from incremental change plus critical junctures.

Source: Author’s elaboration (op. cit., p. 35). Quotes from Bache (op. cit., p. 3)

Since Europeanisation is understood as a two-way process, in order to define the explanatory variables it is important to consider not only the EU level, but also the domestic level. To analyse the IPA, both levels are important, in order to take into account both the structure of the instrument and the recipient countries’ specific features. The main key conditions underlined in the relevant literature are summarized in Table 4.

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Table 4 – Explanatory variables of Europeanisation

<table>
<thead>
<tr>
<th>Domestic level (endogenous variables)</th>
<th>Rationalist perspective (logic of consequentiality): CONDITIONALITY</th>
<th>Constructivist perspective (logic of appropriateness): SOCIALISATION</th>
<th>Historical perspective (logic of path-dependency): PERSISTENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU level (exogenous variables)</td>
<td>1- Veto players 2- Domestic political costs</td>
<td>Presence of epistemic communities / thick learning</td>
<td>1- Administrative capacities 2- Legacies of conflict</td>
</tr>
<tr>
<td></td>
<td>1- Financial aid 2- Determinacy and density of norms</td>
<td>Presence of epistemic communities / thick learning</td>
<td>Resonance with: 1- domestic conditions 2- other international factors</td>
</tr>
</tbody>
</table>

A comparison of the different EU financial assistance instruments for the Western Balkans in their chronological succession is presented in the table below. The geographical focus of the EU’s action appears widening; the focus moves from reconstruction to development to pre-accession, and the regional programmes acquire more and more importance over time.¹³

Table 5 – Evolution over time of EU financial assistance instruments for the Western Balkans

<table>
<thead>
<tr>
<th>Instrument</th>
<th>1st generation instruments</th>
<th>2nd generation instruments</th>
<th>3rd generation instruments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instrument</td>
<td>PHARE</td>
<td>OBNOVA</td>
<td>ECHO</td>
</tr>
<tr>
<td>Target countries</td>
<td>BiH, Alb, Mak</td>
<td>BiH, Alb, Mak</td>
<td>BiH, Alb, Mak</td>
</tr>
<tr>
<td></td>
<td>CRO, FRY, Kos</td>
<td>CRO, FRY, Kos</td>
<td>CRO, FRY, Kos</td>
</tr>
<tr>
<td>Amount (only for WB)</td>
<td>1.184 bln €</td>
<td>1.476 bln €</td>
<td>2.196 bln €</td>
</tr>
<tr>
<td></td>
<td>TOT 1990-2000: 4.856 bln €</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary focus</td>
<td>Post-conflict Reconstruction</td>
<td>Development &amp; Stabilization</td>
<td>Institution building &amp; acquis compliance</td>
</tr>
<tr>
<td>Management method</td>
<td>Centralized</td>
<td>Differentiated methods</td>
<td>Decentralized Implementation System (DIS)</td>
</tr>
<tr>
<td>Regional programmes</td>
<td>4%</td>
<td>--</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: Denti, op. cit., p. 33.

¹³ Davide Denti, op. cit., p. 33
Candidate status differentiation and performance of pre-accession funds

The issue of differentiation has been called into attention by the European Stability Initiative (ESI) in a 2005 a priori analysis of the draft IPA regulation. According to the ESI, the IPA was an “essentially passive” strategy towards the region, aiming only at providing, at best, the same amounts and the same quality of the previous CARDS funds, whose experience and impact were deemed “disappointing” and “very limited”. A differentiation in the IPA approach might therefore have carried heavy risks, first of all the one of a ‘double bluff’ in which, in the absence of relevant incentives, the EU would pretend to offer membership while candidate countries would pretend to reform, resulting in a delaying tactic postponing final accession perspectives beyond 2020 and eroding the EU’s influence in the region. The correction put forward by the ESI included the need to link assistance to the signature of SAAs rather than to candidate status, following the example of the strategy towards Bulgaria, that had achieved a “dramatic policy and institutional change” by opening up all pre-accession instruments to the country even in absence of an official candidacy.

The call of the ESI was taken up again in 2008 by Tamás Szemlér in his analysis of the appropriateness of the IPA to the political situation and to the development needs of the Western Balkans. Szemlér remarked in particular the lack, in the context of the Western Balkans, of the three merits of the ‘regatta approach’ for Central and Eastern European (CEE) countries, namely incentives for reform, adequate assistance, and credible commitment. He therefore suggested opening up the regatta between all official and potential candidate countries, in order to give incentives for reforms and enhance the credibility of accession perspectives.

The present paper intends to answer the question if the differentiation among target countries, based on candidacy status, had a relevant impact

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on the performance of the EU pre-accession funds in the Western Balkans. As such, it aims to verify or confute the claim of the ESI and of Szemlér.

In fact, the current structure of the IPA tries to square the circle of the dilemma of fairness: how to treat equally countries that are at substantially different pre-accession stages? With this aim, it provides an overall regional approach, while preserving differentiation in the access to its components and in their management strategies. To ensure that differentiation does not end up into ghettoisation, it provides for two important correctives: first, the amount of funds available (while higher in absolute terms) remains roughly the same for all WB territories once taken into consideration population and development needs; second, the reform process towards decentralised management is set to start for both categories of candidates, though incentives may be stronger for official candidate countries.

The research takes a causal research design, with a comparative approach to the mid-term outcomes of IPA. It compares the various target countries in the Western Balkans and evaluate whether the various levels of performance of IPA (variance in funds allocation, funds absorption, or administrative reform) are correlated with the candidacy status of the target countries.

The aim of the IPA funds is to improve the governance structures and to strengthen administrative capacities. Several criteria may be taken in consideration in order to draw a preliminary assessment of their efficiency. I operationalise their performance through three indicators: the levels of (a) funds allocation, (b) funds absorption, and (c) administrative reform.

Firstly, I compare the levels of financial assistance per country both in absolute terms, and in relative (per capita) terms. Secondly, drawing from the Financial Transparency System of the European Commission, I present the amount of funds awarded to the beneficiary countries according to: (a) the country of the beneficiary, (b) the location of the action, and (c) a combination of the two, pointing to the absorption capacity of local agencies. Thirdly, I check the development of administrative capacities in target countries through the progress in establishing a Decentralised Implementation System (DIS). Such a reform is instrumental in allowing
national governments to achieve accreditation for decentralised management and to gain access to all available budget lines under the IPA. Through the analysis of the IPA Progress Reports for 2008, 2009, and 2010, it is possible to identify the main trends in the progress of DIS establishment.

**Funds allocations, per country**

The allocation of funds for each IPA component and for each beneficiary country is defined in the Multiannual Indicative Financial Framework (MIFF), which reflects the political priorities identified by the European Commission in annex to its three-yearly Enlargement Strategy.\(^{16}\) The total allocations under IPA for the Western Balkan countries reach a level of 6.7 bln €, thus exceeding the amount of 5.1 bln € under CARDS.\(^{17}\) This allows us to dispel the claim that a reduction in overall assistance levels reflects the backslide of enlargement among EU priorities and constitutes a priori an accession-delaying tactic.

A first indicator to consider is the absolute level of financial assistance per country, as reported in the MIFF 2008-2012\(^{18}\) visualised in the following map in clusters according to assistance levels. These clusters do not appear to be correlated to the candidate status of each country, as the three candidate countries are in three different groupings.

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18 Detailed data are included in the Annexes.
Map 1 - Total allocations per beneficiary countries, 2007-2013 (mln €)

The levels of assistance can be better compared when equalised in terms of population; the results are again visualised in the map below in clusters according to per capita yearly assistance levels.

Map 2 - Per capita yearly allocations per beneficiary countries, 2007-2013 (€)

The levels of per capita allocation show a high variance, as the amounts for Montenegro exceed the double of those for Bosnia. Candidate countries are in the upper and intermediate groupings, making it possible to suggest that candidate status may play a role in the definition of
per capita funds allocations. Anyway, the presence in the same upper grouping of Kosovo, which is far away from candidate status, should make us wary of intervenient variables (e.g. fixed costs of new national administrations, expensive consociational agreements, and post-conflict rebuilding efforts). Candidacy status may at best be a sufficient condition for a higher than average level of per capita pre-accession assistance, but not a necessary one.

**Funds absorption, per country**

In the framework of the EU budget and finances, the funds absorption capacity has been defined as “the extent to which a state (member or non-member) is able to spend the allocated financial resources fully and in an effective and efficient way”. 19 Funds absorption represent an issue to be tackled, as the achievement of cohesion targets largely depends on timely and effective spending of the available amounts of funds. Underspending is highly deprecated, as it results in the need to send the money back to Brussels, and it might influence future funding levels. 20

A set of data on the absorption levels of IPA funds in the Western Balkan countries can be extracted from the Financial Transparency System (FTS) database of the European Commission, 21 in order to draft a preliminary evaluation of the absorption levels. Such data can be exported: (a) per country/territory, based on the address given by the beneficiary in the identification documents submitted to the Commission; (b) per geographical zone, referring to the location of the action financed by the grant; (c) per both criteria at the same time. In all the three cases, the amount corresponds to the total awarded to carry out the contracted activities, and not to the actual payments for the year.


When analysed in relation to the address of the implementing agency, the data show a prevalence of expenditures per capita in Serbia, Montenegro, and Kosovo (all above the 8€/pc/y threshold). A lower cluster of countries is composed of Macedonia and Croatia (below 4 €/pc/y). Bosnia and Albania stand in the middle. No effect of the countries’ candidacy status appears from the data.

Data per capita in relation to the location of the contracted activities show a peak in the case of Kosovo (beyond 55€/pc/y), followed by Montenegro, Serbia and Albania. Bosnia and Macedonia’s values are the lowest, below 20€/pc/y, not reaching the minimum threshold identified in 23€ per capita per year. The region’s overall average of 23,43€/pc/y is anyway in line with the threshold. The data for Croatia is particularly striking, since the country scores close to zero levels of fund awarded per person per year. This may be related to the choice of few, big infrastructural projects, whose enactment is taking time, and which are thus not yet included in the database. All in all, for this indicator as well, no correlation appears between the countries’ candidate status and the level of funds awarded.

When the two criteria exposed above are applied together, as in an intersection, the data extracted show a lower absolute value (496 mln €, slightly less than 30% of the total). This amount reflects the value of the agreements contracted with local implementing parties for actions on the territory of the Western Balkans. In this case, the highest per capita values are expressed by Kosovo and Serbia, while values close to zero appear for Croatia. No relation with the candidate status of pre-accession countries may be noticed from the data even here.

22 A second MIFF for the period 2010-2012 has been approved on 5 November 2008, identifying the 2008 allocations based on per capita past expenditures, with a minimal threshold of 23 - per person [COM(2008) 705 final].

23 The shadow of the European Reconstruction Agency (EAR) is also not apparent from the data: the territories where previous EU funds were managed by the EAR have no additional burden in absorbing funds through the new implementing methods.
Maps 3 – IPA awarded funds, per country/territory (beneficiary’s address), in € per capita per year (2007/12)

Figure 1 – as above
Maps 4 – IPA awarded funds, per geographical zone (location of the action) in € per capita per year (2009/12)

Figure 2 – as above
Maps 5 – IPA awarded funds, per location of the action and beneficiary’s address in € per capita per year (2009/12)

Source: author’s elaboration on data from the EC Financial Transparency System; population data for 2011.

Figures 2 and 3 are relative to the 2009/12 period, since there were no awarded funds in 2007 and 2008.
Management decentralisation, per country

The implementation and programming of IPA funds may begin with centralised management, at least for the assistance components I and II for potential candidate countries. Nevertheless, the final aim and condition for full availability of all five budget lines is the development of the administrative capacities by the national beneficiary governments, in compliance with Art. 10 of the IPA Regulation 718/2007, to cover at least tendering, contracting and payments. The component V of IPA assistance can only be implemented in a fully decentralised way from the beginning, without ex ante controls. The Decentralised Implementation System (DIS) of each national administration should achieve “conferral of management” (accreditation) by the European Commission before the competencies of the EU Delegations and of the Commission may be transferred to the beneficiary government. 24

The roadmap for the accreditation of the DIS includes six different stages, numbered from 0 to 5. Such steps range from establishing the administrative structure, with the definition of tasks, appointment of the key actors, and provision of adequate staffing and equipment, until the final verification audit by the Commission, which leads to the conferral of management powers and the signature of a Financing Agreement between the EC and the state administration. The intermediate steps request the national administrations to: (a) identify the gap between the local procedures and the DIS requirements, through a Gap Assessment Report; (b) take actions in order to fill the gaps, following an Action Plan for Gap Plugging; (c) assess the effective compliance trough a Compliance Assessment Report; and (d) obtain the accreditation from the European Commission.

Table 6 - Roadmap for DIS accreditation

<table>
<thead>
<tr>
<th>Status</th>
<th>Scope</th>
<th>Who*</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 0</td>
<td>Establishment of Structures</td>
<td>OS</td>
<td>Appointment of key actors Adequate staffing and equipment</td>
</tr>
<tr>
<td>Stage 1</td>
<td>Gap Assessment</td>
<td>TA (FWC) MoF (NF)</td>
<td>Gap Assessment Report Action Plan for Gap Plugging</td>
</tr>
<tr>
<td>Stage 2</td>
<td>Gap Plugging</td>
<td>OS / TA</td>
<td>Compliance with requirements</td>
</tr>
<tr>
<td>Stage 3</td>
<td>Compliance Assessment</td>
<td>TA</td>
<td>Compliance Assessment Report</td>
</tr>
<tr>
<td>Stage 4</td>
<td>Accreditation</td>
<td>NAO</td>
<td>National accreditation and submission of application for conteral of management powers with ex ante control</td>
</tr>
<tr>
<td>Stage 5</td>
<td>Verification audit</td>
<td>EC</td>
<td>Conferral of management powers Signature of Financing Agreement</td>
</tr>
</tbody>
</table>

* The key actors involved in managing and implementing the IPA funds, as foreseen in the DIS, other than the European Commission (EC), are: the National IPA Coordinator (NIPAC); the Strategic Coordinator for Components III and IV (SCO); the Competent Accrediting Officer (CAO); the National Authorising Officer (NAO); the National Fund (NF); the Operating Structure (OS), with a Central Financial and Contracting Unit (CFCU); and the Audit Authority (AA).

The implementation of the DIS roadmap proceeds separately for each WB country and for each IPA component, resulting in a highly differentiated pattern of progress.

The progress of the different Western Balkan countries on the roadmap towards decentralised management of the IPA funds may provide us with a measure of mid-term performance of the IPA in its objective of fostering reform and strengthening administrative capacities in pre-accession countries. The presence of clear benchmarks, defined by the formalised stages of the DIS roadmap, allows us to draw some conclusions based on quantitative data, and to compare them with the test hypothesis linking IPA performance with the countries’ EU candidacy status.

When taking a look at the picture of the progress in the decentralisation of management of IPA funds in the 2008-2011 period, it is possible to underline some trends.\textsuperscript{25}

\textsuperscript{25} Data are extracted from the yearly Commission report on IPA funds (COM(2008)850, COM(2009)699, COM(2010)687, COM(2011)647, COM(2012)678). In its last reports for the years 2010 and 2011, the Commission has stopped detailing explicitly the country progress in terms of DIS stages per component, especially in the case of Albania, Montenegro and Macedonia. Data for such countries are thus the author’s interpretation of the Commission’s lexicon. Moreover, Serbia and Albania started working on DIS for components III to V even before the granting of the formal candidate status.
Figure 4

Status of DIS roadmap for IPA component, 2008

Figure 5

Status of DIS roadmap for IPA component, 2011

Table 7 - Average stage of DIS implementation (0 to 5)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia</td>
<td>4.8</td>
<td>4.8</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Serbia</td>
<td>1.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.4</td>
</tr>
<tr>
<td>Montenegro</td>
<td>0.0</td>
<td>1.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Kosovo</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Macedonia</td>
<td>2.0</td>
<td>3.8</td>
<td>4.0</td>
<td>3.8</td>
</tr>
<tr>
<td>Albania</td>
<td>0.0</td>
<td>0.5</td>
<td>2.0</td>
<td>2.3</td>
</tr>
</tbody>
</table>

For candidate countries: comp. I to V; for potential candidates: I to II.
Croatia remains the highest scoring country in DIS roadmap throughout the period, already starting from a very good position; nevertheless, it could achieve stage 5 also for the component V only in 2010. Among the other countries, while up to 2009 Macedonia and Serbia were the frontrunners, Belgrade is afterwards caught up by Montenegro and Albania. Serbia does not see any progress in 2010, while Montenegro stalls in 2011 and is overcome by Serbia and Albania. Kosovo and Bosnia and Herzegovina do not mark any substantial progress whatsoever, remaining at the very early stages for four years in a row.

Although both Croatia and Macedonia hold good levels in the scoreboard, the case of Montenegro highlights how the status of EU candidate country does not appear to be a sufficient condition to foster progress on the DIS roadmap. This may have to do with a time variable: the effects of candidacy are not immediate, as it may take some time for a candidate country, especially in the case of small administrations, to set up the competent structures for the new IPA components III to V. The upgrade to candidate country of Montenegro in 2009 did not bring about substantial DIS progresses in 2010. The candidacy status does not either seem to be a necessary condition to achieve a good progress on the DIS roadmap. This is shown by the parallel paths of Albania and Montenegro, running contrary to the expectations according to the candidacy hypothesis.

At mid-term, the IPA has pushed some candidate countries to develop administrative structures able to sustain a Decentralised Implementation System, a necessary step towards the use of IPA funds, from the perspective of future implementation of EU regional and cohesion funds. On the
other hand, such developments have had variable records from country to country. The process of management decentralisation is likely to be brought around conclusions by 2014 in most of the countries of the region, with the exception of Bosnia and Herzegovina, and Kosovo. Progress in management decentralisation proved particularly difficult in these territories, which are also lagging behind in the EU integration process. In such cases, the IPA lacks enough force to constitute an incentive for deep internal reform.

The challenge for the new post-2014 IPA-II will be to foster decentralised management in the laggard territories too, in order to foster capacity-building of national administration. Likely, additional incentives will be needed for this scope.  

26

Summary of the findings

Throughout the paper, the IPA funds have been analysed in terms of their allocations, their absorption levels, and their capacity of fostering administrative reform to achieve decentralised management, in order to check if the candidacy status of pre-accession countries mattered as an explanatory variable of their performance levels.

The allocation levels have been shown consistent with the previous financial instruments and not correlated with the status of candidate country. Globally, the risks highlighted by ESI and by Szémler concerning a differentiation between candidate and potential candidate countries about allocation levels are dispelled by the official data from the MIFF.

The absorption levels have been controlled through data collected from the Financial Transparency System of the European Commission. Up to 2010 included, the highest absorption levels per capita have been recorded

26 Blockmans suggested as “flanking policies” the development of visa facilitation schemes and the inclusion of the Western Balkans countries in EU programmes such as Erasmus. Since all the countries of the region have achieved visa-free regime by 2010, it is even more necessary today to think about other flanking policies that may constitute a positive incentive for reform in the next years. Steven Blockmans [2007], Tough Love. The European Union’s relation with the Western Balkans, The Hague: T.M.C. Asser, pp. 313-316.
in Kosovo and Serbia. Serbia is also the territory in which the highest share of funds goes to national implementing agencies rather than to foreign consultancies. Concerning absorption levels, the candidate status of a country does not appear to be either a sufficient or a necessary condition.

Finally, the progress in management decentralisation up to 2010 highlights the differentiated pattern of pre-accession development in the Western Balkans. As two candidate countries over three (Croatia and Macedonia) score good results, candidacy may be a sufficient condition for progress in management decentralisation, but only after some time (as highlighted by the case of Montenegro); anyway, it remains not a necessary condition (as shown by the comparatively good results of Serbia and Albania).

Table 8 - Candidacy status as a condition of efficiency of pre-accession assistance in the Western Balkans

<table>
<thead>
<tr>
<th>Allocations</th>
<th>Absorption</th>
<th>Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient?</td>
<td>YES ?</td>
<td>NO</td>
</tr>
<tr>
<td>Necessary?</td>
<td>NO</td>
<td>NO</td>
</tr>
</tbody>
</table>

Conclusions

After two years of implementation, the IPA has shown a mixed performance, resulting in a statistically limited level of use of IPA funds in most target countries, though with some variance. A first hypothesis on the reasons of such a differentiation has been pointing at the candidate status of target countries as the explanatory variable. Such an hypothesis proved nevertheless not to be supported by quantitative data: an analysis on the funds allocation levels, the funds absorption levels and the progress in administrative reforms, based on the European Commission’s Financial Transparency System database and the IPA Progress Reports has shown that candidacy status is not a sufficient neither a necessary condition for a

27 Silvana Mojsovska (2010), ‘Western Balkans’ accession to the EU: a need for (re)tailoring of the EU assistance instruments’, Europesworld.org.
28 ESI, op. cit.; Szemlér, op. cit.
good IPA performance. Rather, the data show that the IPA funds were able to catalyse a good progress only in those target countries characterised by an average adaptation pressure, but not to spur laggards and frontrunners, recalling the hypothesis put forward by Radaelli in his analysis of the outcomes of Europeanisation: convergence will happen in cases of intermediate misfit, while divergence or inertia will be more likely where local structures are either already established and compatible (low misfit) or too different to allow for feasible reforms (high misfit).29

Further research will be needed to identify the explanatory factors of such mixed and differentiated outcomes. When taking into account vectors of Europeanisation in the Western Balkans, one dimension should be added to the theoretical framework deriving from the research on “Europeanisation East” (Heritier 2005) and the impact of the EU on candidate states in Central and Eastern Europe. Western Balkan countries differ from their Central European counterparts in the stronger relevance of “hindering historical legacies” and “limited statehood” (Elbasani 2013:9).

First, special attention should be devoted to the domestic factors under an historical institutionalist perspective (“hindering historical legacies”), as the subject is still under-researched. A logic of path dependency highlights the role of inertia and of the level of consolidation of the domestic situation, since current institutions, shaped by legacies of the past, are resistant to change.30 Schimmelfennig underlines the salience of specific legacies of conflict in the Western Balkans, identifying three sub-factors of change: (a) an ‘endgame’ situation, with short-term, certain and relevant prospects of reward and sanction; (b) non-prohibitive costs for the incumbent governments; and (c) adequate levels of identification with the EU.31 Mink and Bonnard consider that the legacies of conflict remain present in the collective memory of public opinions, as stocks of memorial materials that can be reactivated by political entrepreneurs aiming at exploiting their legitimacy effect in the political arena.32

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factors influencing the domestic cost of compliance in post-conflict situations may therefore be summarised with the presence of: (a) legacies of conflict, available for reactivation in the dynamic collective memory; (b) political entrepreneurs willing to adopt historicising strategies; and (c) political arenas where such strategies can be enacted and capitalised. Following the “domestic turn” in Europeanisation studies, an analysis of the administrative structures in each IPA country (in both the organisation of the offices and their staffing – resources, educational background and experience) may allow an understanding of the root causes of the pattern of differentiated progress in both absorption capacity and management decentralisation.  

Secondly, weak statehood is highlighted in most recent studies as the most relevant intervening variable to explain the lack of both capacity and will to reform in target states, even when EU conditionality is present and clear. When compared to the results highlighted in figure 6, weak statehood may be seen as one factor affecting the countries’ performance in establishing decentralised management of EU funds. Consolidated statehood seems to be a precondition for Europeanisation, since its absence also makes the EU’s conditionality more inconsistent. Unfinished processes of state-building leave the EU at odd in a position of state-builder for which it has no experience and adequate tools. The European Union should thus find a way to cope with such a situation, positing itself “neither [as] a model, nor [as] a hegemon”, but rather fostering the build-up of a viable institutional structures in candidate countries while respecting diversity and local solutions, in a process of member-state building rather than state-building alone.

33 I am grateful to an anonymous referee for this insight.
35 Cf. figure 11.1 in Börzel (2013), op. cit., p. 180
36 Börzel (2013), op. cit., p. 182.
Annexes

Table 1 - Allocations per country over time, in mln € (MIF 2008-2010 and 2010-2012)

<table>
<thead>
<tr>
<th>Country</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia</td>
<td>141.23</td>
<td>146.00</td>
<td>151.20</td>
<td>154.20</td>
<td>157.20</td>
<td>160.40</td>
<td>163.40</td>
<td>1073.63</td>
</tr>
<tr>
<td>Bosnia-Herz.</td>
<td>62.10</td>
<td>74.80</td>
<td>89.10</td>
<td>106.00</td>
<td>108.10</td>
<td>110.20</td>
<td>111.20</td>
<td>661.50</td>
</tr>
<tr>
<td>Serbia</td>
<td>189.70</td>
<td>190.90</td>
<td>194.80</td>
<td>198.70</td>
<td>202.70</td>
<td>206.80</td>
<td>207.80</td>
<td>1391.40</td>
</tr>
<tr>
<td>Montenegro</td>
<td>31.40</td>
<td>32.60</td>
<td>33.30</td>
<td>34.00</td>
<td>34.70</td>
<td>35.70</td>
<td>36.50</td>
<td>238.20</td>
</tr>
<tr>
<td>Kosovo</td>
<td>63.30</td>
<td>184.70</td>
<td>106.10</td>
<td>67.30</td>
<td>68.70</td>
<td>70.00</td>
<td>71.20</td>
<td>631.30</td>
</tr>
<tr>
<td>Albania</td>
<td>61.00</td>
<td>70.70</td>
<td>81.20</td>
<td>93.20</td>
<td>95.00</td>
<td>96.90</td>
<td>97.60</td>
<td>595.60</td>
</tr>
<tr>
<td>Macedonia</td>
<td>58.50</td>
<td>70.20</td>
<td>81.80</td>
<td>92.30</td>
<td>98.70</td>
<td>105.80</td>
<td>108.10</td>
<td>615.40</td>
</tr>
<tr>
<td>Total WB</td>
<td>607.23</td>
<td>769.90</td>
<td>737.50</td>
<td>754.70</td>
<td>765.10</td>
<td>785.80</td>
<td>795.80</td>
<td>5216.03</td>
</tr>
</tbody>
</table>


Figure 1 - IPA allocations according to the MIF 2008-2010 and 2010-2012
### Table 2 - Average levels of financial assistance, in € per capita per year

<table>
<thead>
<tr>
<th></th>
<th>Total (mln €)</th>
<th>Population (2011)</th>
<th>Average (€/pc/y)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total WB</td>
<td>5.207,03</td>
<td>22.551.142</td>
<td>32.99</td>
</tr>
<tr>
<td>Montenegro</td>
<td>238.20</td>
<td>625.266</td>
<td>54.42</td>
</tr>
<tr>
<td>Kosovo</td>
<td>631.30</td>
<td>1.733.872</td>
<td>52.01</td>
</tr>
<tr>
<td>Macedonia</td>
<td>615.40</td>
<td>2.058.539</td>
<td>42.71</td>
</tr>
<tr>
<td>Croatia</td>
<td>1.073.63</td>
<td>4.284.889</td>
<td>35.79</td>
</tr>
<tr>
<td>Serbia</td>
<td>1.391.40</td>
<td>7.186.862</td>
<td>27.66</td>
</tr>
<tr>
<td>Albania</td>
<td>595.60</td>
<td>2.821.977</td>
<td>30.15</td>
</tr>
<tr>
<td>Bosnia-Herz.</td>
<td>661.50</td>
<td>3.839.737</td>
<td>24.61</td>
</tr>
</tbody>
</table>

Sources: author’s elaboration from official sources; population data for Bosnia, Kosovo and Macedonia in 2011 are estimates (North Kosovo not included).

### Table 3 - IPA awarded funds, per country/territory (beneficiary’s address), in €

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>Per year per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia</td>
<td>4.253.389,69</td>
<td>2.915.682,84</td>
<td>6.430.524,87</td>
<td>26.601.513,41</td>
<td>5.228.227,59</td>
<td>5.883.445,00</td>
<td>2.00</td>
</tr>
<tr>
<td>Bosnia-Herz.</td>
<td>16.927.026,66</td>
<td>35.700.941,18</td>
<td>21.075.618,67</td>
<td>28.316.476,18</td>
<td>18.756.582,77</td>
<td>36.577.109,00</td>
<td>6.83</td>
</tr>
<tr>
<td>Serbia</td>
<td>945.654,73</td>
<td>49.822.418,40</td>
<td>118.034.231,28</td>
<td>54.881.329,81</td>
<td>77.484.762,77</td>
<td>56.807.371,00</td>
<td>8.30</td>
</tr>
<tr>
<td>Montenegro</td>
<td>0,00</td>
<td>661.424,15</td>
<td>3.022.616,09</td>
<td>13.908.317,46</td>
<td>4.881.077,08</td>
<td>7.577.906,00</td>
<td>8.01</td>
</tr>
<tr>
<td>Kosovo</td>
<td>0,00</td>
<td>16.456.254,83</td>
<td>11.870.755,17</td>
<td>20.064.618,68</td>
<td>20.938.042,72</td>
<td>14.936.075,00</td>
<td>8.10</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6.04</td>
</tr>
</tbody>
</table>

Source: author’s elaboration from European Commission, Financial Transparency Service database
Table 4 - IPA awarded funds, per geographical zone (location of the action), in €

<table>
<thead>
<tr>
<th>Location</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>Per capita per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia</td>
<td>0.00</td>
<td>0.00</td>
<td>1.086.781,00</td>
<td>631.447,28</td>
<td>239.195,50</td>
<td>895.067,00</td>
<td>0,17</td>
</tr>
<tr>
<td>Bosnia-Herz.</td>
<td>0.00</td>
<td>0.00</td>
<td>42.409.555,95</td>
<td>66.265.730,54</td>
<td>33.441.102,66</td>
<td>75.166.964,00</td>
<td>14,15</td>
</tr>
<tr>
<td>Serbia</td>
<td>0.00</td>
<td>0.00</td>
<td>209.253.191,71</td>
<td>186.426.841,68</td>
<td>188.309.794,92</td>
<td>142.565.029,00</td>
<td>25,27</td>
</tr>
<tr>
<td>Montenegro</td>
<td>0.00</td>
<td>0.00</td>
<td>25.645.689,15</td>
<td>24.451.024,92</td>
<td>24.366.449,75</td>
<td>17.559.180,00</td>
<td>36,79</td>
</tr>
<tr>
<td>Kosovo</td>
<td>0.00</td>
<td>0.00</td>
<td>117.282.070,47</td>
<td>90.335.581,94</td>
<td>93.150.877,93</td>
<td>84.494.857,00</td>
<td>55,55</td>
</tr>
<tr>
<td>Albania</td>
<td>0.00</td>
<td>0.00</td>
<td>54.557.117,34</td>
<td>91.097.063,64</td>
<td>83.842.063,86</td>
<td>54.392.802,00</td>
<td>25,15</td>
</tr>
<tr>
<td>Macedonia</td>
<td>0.00</td>
<td>0.00</td>
<td>13.065.997,47</td>
<td>27.316.173,45</td>
<td>12.403.292,78</td>
<td>4.059.277,00</td>
<td>6,90</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>23,43</td>
</tr>
</tbody>
</table>

Source: author’s elaboration from European Commission, Financial Transparency Service database

Table 5 - IPA awarded funds, per location of the action and beneficiary’s address, in €

<table>
<thead>
<tr>
<th>Location</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>Per capita per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia</td>
<td>0.00</td>
<td>0.00</td>
<td>57.799,00</td>
<td>463.364,28</td>
<td>9.970,00</td>
<td>468.410,00</td>
<td>0,06</td>
</tr>
<tr>
<td>Bosnia-Herz.</td>
<td>0.00</td>
<td>0.00</td>
<td>12.355.352,51</td>
<td>22.177.891,41</td>
<td>14.951.139,42</td>
<td>33.703.303,00</td>
<td>5,42</td>
</tr>
<tr>
<td>Serbia</td>
<td>0.00</td>
<td>0.00</td>
<td>105.283.307,49</td>
<td>43.370.788,69</td>
<td>70.653.614,03</td>
<td>44.422.722,00</td>
<td>9,17</td>
</tr>
<tr>
<td>Montenegro</td>
<td>0.00</td>
<td>0.00</td>
<td>2.607.774,10</td>
<td>6.818.164,78</td>
<td>4.645.786,32</td>
<td>5.869.374,00</td>
<td>7,97</td>
</tr>
<tr>
<td>Kosovo</td>
<td>0.00</td>
<td>0.00</td>
<td>11.144.039,20</td>
<td>17.903.618,26</td>
<td>20.912.442,72</td>
<td>14.627.826,00</td>
<td>9,31</td>
</tr>
<tr>
<td>Albania</td>
<td>0.00</td>
<td>0.00</td>
<td>11.424.329,52</td>
<td>15.653.525,06</td>
<td>18.591.966,92</td>
<td>18.316.721,00</td>
<td>5,67</td>
</tr>
<tr>
<td>Macedonia</td>
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<td>0.00</td>
<td>3.498.757,62</td>
<td>7.344.285,33</td>
<td>1.758.057,23</td>
<td>3.257.852,00</td>
<td>1,93</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,37</td>
</tr>
</tbody>
</table>

Source: author’s elaboration from European Commission, Financial Transparency Service database
Bibliography:


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The EU Battlegroups (EUBGs) – a successful story or a paper tiger?

Beatrica Šmaguc

Abstract

After decades of reliance upon NATO in security matters, the EU ought to develop security assets of its own in order to protect its interests and citizens. The Common Foreign and Security Policy as an expression of EU readiness and willingness to play a more significant role in security matters on the international stage led to the creation of the European Security and Defence Policy, thus putting at the EU’s disposal civilian and military capabilities for dealing with the crisis spots around the world. The EUBG concept originated with the first member states’ pledges in November 2004 which gave added value to the EU in the security and defence area, at least on paper, while so far no EUBG has been deployed in the theatre of operations.

KEY WORDS:
EU Battlegroups (EUBGs), rapid response, ATHENA mechanism, Berlin Plus agreement, EU decision-making process
The origins of the EU Battlegroups

In recent decades the European Union played a significant role in the economic area on the international stage. In those days, tasks in security and defence matters were put in the hands of other organizations – the Western European Union (WEU) and NATO. As a global player that encompasses about 450 million people and produces a quarter of the world’s GNP, the EU needs to have instruments at its disposal to promote its interests and protect its citizens in the best possible manner. In addition, Washington has long called upon Europe to take greater responsibility for crisis management around the world, particularly if the EU wishes to become a major partner on the global stage. So, during the 1990s the need for an equal role for the EU in the political and security area evolved and with the Maasticht Treaty,¹ as an expression of the EU’s readiness and willingness to play a significant role in security matters on the international scene, a Common Foreign and Security Policy was introduced.

At the same time, in June 1992 the WEU Council of Ministers adopted the so-called Petersberg Tasks introducing the possibility of using the military forces of the WEU states in cases other than those of NATO Article 5 and Article V of the modified Brussels Treaty (common defence), i.e. in humanitarian and rescue tasks, peacekeeping tasks and tasks of combat forces in crisis management, including peacemaking.² The dissolution of the WEU led to incorporation of the “Petersberg Tasks” into the EU legal framework (Treaty of Amsterdam, 1997) and a few years later to the creation of the European Security and Defence Policy thus giving the EU its own military and civilian operational capabilities. The first step in developing the military capabilities was the adoption of the Helsinki Headline Goal (HHG) in December 1999 and the declaration of the need for an EU rapid response capability in order to respond to the crisis in a timely and better manner.

¹ The formal name is the Treaty on European Union (TEU) and it was negotiated during the second half of 1991, signed on 7 February 1992 in Maastricht and entered into force on 1 November 1993, after ratification by the EU member states.

The main goal of the HHG was to enable the EU by 2003 to deploy 60,000 troops within 60 days in the crisis area in order to execute an operation within the Petersberg Tasks and to remain sustainable in the area of operation for one year. This force is often called the European Rapid Reaction Force (ERRF). Although the HHG was primarily designed for EU member states, it enabled contributions from non-EU countries too. Based on the HHG, the European Council in December 2000 approved the setting up of a new politico-military structure within the EU Council, i.e. the Political and Security Committee, the EU Military Committee and the EU Military Staff. During the year 2000, in line with the HHG and Petersberg Tasks, the EU Military Staff generated the “Helsinki Headline Catalogue” which specified the required capabilities in each area and in November at the first Capability Commitment Conference initial pledges were made. Member states declared their commitment to over 100,000 soldiers, over 400 combat aircraft and about 100 ships, which was more than was needed by the HHG. These commitments were set out in a document called the “Force Catalogue”. However, there were also failed areas such as strategic airlifts, tactical transport, sustainability and logistics, force survivability and infrastructure as well as command, control, communications, computers, intelligence, surveillance and reconnaissance.

A year later in November 2001 a Capability Improvement Conference took place but lots of shortfalls remained. To address those shortfalls, in November 2001 a European Capabilities Action Plan (ECAP) was established and the European Council in Laeken in December 2001 concluded that the “Union is now capable of conducting some crisis-management operations”. In the next two years significant progress was made only in the area of command and control capabilities. But this did not stop the European Council held in June 2003 from declaring that “the EU now has operational capability across the full range of Petersberg tasks, limited and constrained by recognised shortfalls, which can be alleviated by the further development of the EU’s military capabilities, including through the establishment of ECAP Project Groups”. Although in key areas significant qualitative shortfalls remained, after adoption of the European Security Strategy and the first lessons learned from EU-led operations (Concordia in Macedonia and Artemis in Congo), during the June 2004 Council EU member states decided to launch a new target – the Headline Goal 2010 which included the BG Concept.

3 Presidency conclusions, European Council Meeting in Laeken, 14 and 15 December 2001, point 6.
4 Presidency conclusions, Thessaloniki European Council, 19 and 20 June 2003, point 56.
The EUBG concept was initiated at the Franco-British summit in Le Touquet in February 2003 and further elaborated at the Franco-British summit in November 2003, where the term “battlegroup” was mentioned for the first time. In the meantime, the EU launched its first autonomous military rapid response operation, Artemis, in the Ituri region of the Democratic Republic of Congo, which later served as a sort of template for the future rapid response concept, i.e. the EUBG concept. Germany joined this initiative in February 2004 and three EU leading nations published “The battlegroups concept UK/France/Germany food for thought paper”. After a positive reaction from the General Affairs and External Relations Council (GAERC) on 24 March 2004 and a request by the EU Military Committee to the EU Military Staff to develop the EU BG concept (adopted by the EUMC on 14 June 2004) and followed by support from defence ministers in April 2004, a battlegroup became a key element of the Headline Goal 2010 that was adopted by the European Council in June 2004. The initial EUBG pledges were made at the Military Capabilities Commitment Conference in November 2004, when 13 EUBGs and niche capabilities were offered.

6 “The EU should be capable and willing to deploy in an autonomous operation within 15 days to respond to a crisis. The aim should be coherent and credible battle-group sized forces, each around 1500 troops, offered by a single nation or through a multinational or framework nation force package, with appropriate transport and sustainability. These forces should have the capacity to operate under a Chapter VII mandate. They would be deployed in response to the UN request to stabilise a situation or otherwise meet a short-term need until peace-keepers from the United Nations, or regional organisations acting under the UN mandate, could arrive or be reinforced.” Franco-British Declaration: Strengthening European Cooperation in Security and Defence (page 281) in Missiroli, Antonio: From Copenhagen to Brussels: European defence: core documents, Volume IV, Chaillot Papers 67, Institute for Security Studies, Paris, December 2003.

7 On 30 May 2003 the UN Security Council adopted Resolution 1484 authorizing the deployment of an Interim Multinational Emergency Force to Bunia (Ituri region) in order to secure the airport, protect internally displaced persons in camps and civilians in the town until the reinforcement UN mission in DR Congo [MONUC - Mission de l’Organisation des Nations Unies en République démocratique du Congo]. The EU Council adopted Joint Action on 5 June 2003. The operation plans for Operation Artemis and the decision to launch a military operation in the DR Congo were adopted on 12 June 2003 and some three weeks later EU forces were deployed in the area of operation. The fact is that the first French troops has already arrived in the area of operation on 6 June 2003. About 1800 personnel from 16 EU and non-EU states (Brazil, Canada, South Africa) participated in the operation and France was the framework nation. By September 2003 the UN, i.e. MONUC, was reinforced enough to take over the responsibility for the overall security in the region, so Operation Artemis ended on 1 September 2003. More details on the EU web page under Operation Artemis legal basis [http://consilium.europa.eu/eeas/security-defence/eu-operations/completed-eu-operations].


9 With the coming into force of the Lisbon Treaty, the GAERC was split into two parts: the General Affairs Council and the Foreign Affairs Council.

10 Member states declared 4 national (France, Italy, UK and Spain) and 9 multinational EUBGs (1. France, Germany, Belgium, Luxembourg and potentially Spain, 2. France and Belgium, 3. Germany, the Netherlands and Finland, 4. Germany, Austria and the Czech Republic, 5 Italy, Hungary and Slovenia, 6. Italy, Spain, Greece and Portugal, 7. Poland, Germany, Slovakia, Latvia and Lithuania, 8. Sweden, Finland and Norway; 9. The United Kingdom and the Netherlands) as well as niche capabilities: medical group [Cyprus], a water purification unit [Lithuania], Athens Sealift Co-ordination Centre [Greece] and structure of a multinational and deployable force headquarters (France). Military Capability Commitment Conference, Brussels, 22 November 2004: Declaration on European military capabilities, pages 9-10.
Thereafter contributions have been announced twice a year through the Battlegroup Coordination Conferences (usually held in April/May and September/October).

At the same time as fulfilling the HHG, the European Union was negotiating an agreement with NATO (the Berlin Plus agreement) to ensure access to NATO capabilities and assets for EU-led military operations. The Berlin Plus agreement is actually a set of agreements between the EU and NATO which provides a basis for cooperation among the two organizations in crisis management. The origin of the Berlin Plus agreement lay in the 1996 arrangement between NATO and the WEU, which was the EU tool for defence and military cooperation. In the late 1990s the EU decided to dissolve the WEU and to develop its own capacities for military operations, but without unnecessary duplication. The need for developing firmer EU-NATO relations resulted in a joint declaration on 16 December 2002 (NATO-EU Declaration on the European Security and Defence Policy) on the establishment of their strategic partnership in crisis management, while a comprehensive framework for EU-NATO cooperation, i.e. a framework agreement\(^{11}\) (known as the Berlin Plus agreement), was finished on 11 March 2003. Based on Berlin Plus agreements, the EU gained access to NATO planning capabilities, which enabled it to plan its own military operations: the possibility of engaging NATO SHAPE\(^{12}\) and DSACEUR\(^{13}\) as OHQ and Operational Commander in the EU-led operation and the possibility of using certain NATO assets and capabilities for its military operations. Berlin Plus agreements also include an agreed procedure of exchange of classified information as well as EU-NATO consultation arrangements. So far Berlin Plus agreements have been applied only twice in EU-led operations (Concordia in Macedonia and Althea in Bosnia and Herzegovina).\(^{14}\)

\(^{11}\) The Framework agreement is actually letters exchanged between the High Representative for Common Foreign and Security Policy and the Secretary General of the Council of the EU, Javier Solana, and the Secretary General of NATO, Lord Robertson.

\(^{12}\) Supreme Headquarters Allied Powers Europe (SHAPE) in Mons.

\(^{13}\) Deputy Supreme Allied Command Europe. The DSACEUR is designated Operation Commander, while the EU Force Commander and EU Force Headquarters deployed in the theatre or the EU Component Commands may either be provided by NATO or by EU member states. In addition, the EU Military Staff (EUMS) set up a cell at SHAPE in order to improve the preparation of EU operations drawing on NATO assets and capabilities, while NATO set up a permanent liaison office within the EUMS.

The EUBG structure, purpose and main characteristics

The EUBGs are a specific form of rapid reaction forces, or rather a force package which has to be “(minimum) militarily effective, credible, rapidly deployable” and “capable of stand-alone operations or for the initial phase of larger operations”. This force package is composed of “combined arms battalion sized force and reinforced with Combat Support and Combat Service Support elements” and it “must be associated with a Force Headquarters ((F) HQ) and pre-identified operational and strategic enablers, such as strategic lift and logistics” (Figure 1). The EUBGs could be formed by a single EU member state or by a group of member states with a so-called “framework nation” and its generic composition is about 1,500 troops. But the structure of EUBGs is not fixed; it depends on the specific requirements of the operation and the member states are those that decide on how to constitute their BG package.

Figure 1 – A generic battlegroup package


15 EU Battlegroup Concept, Council of the European Union, 13618/06 EXT 1, Brussels, 27 April 2007, point 8.
16 EU Battlegroup Concept, Council of the European Union, 13618/06 EXT 1, Brussels, 27 April 2007, point 8
Such flexibility facilitates the EUBG Force Generation and enables a broader spectrum of capabilities. Therefore, the generic structure could be reinforced by different enablers such as maritime, air, logistic or others, so the EUBGs could reach a total of 2,500 troops or even more. For example, the Nordic Battlegroup that was on standby from 1 January until 30 June 2008 was made up of 2,800 soldiers from Sweden (about 2,300), Estonia (about 50), Finland (about 200), Ireland (about 80) and Norway (about 150), but for the strategic and military command aspects they worked with the United Kingdom. On the other hand, an EUBG led by Poland that was on standby in the period 1 January – 30 June 2010 was made up of some 1,800 personnel (about 700 from Poland, about 540 from Germany and about 180 personnel each from Slovakia, Lithuania and Latvia), while an Italian-Hungary-Slovenian EUBG, declared for standby in the period 1 July – 31 December 2012, was set up as a force package of 2,588 personnel in total (Italy – 2,100; Hungary – 260 and Slovenia – 228).

With regard to the Operations Headquarters (OHQ) there are three options: 1) use of NATO structures according to the Berlin Plus agreement of 2003, in which case the SHAPE will serve as OHQ; 2) use of one of five OHQs declared by member states (France – Mont Valérien/Paris, Germany – Potsdam, Greece – Larissa, Italy – Cento Celle/Rome and the United Kingdom – Northwood); and 3) the EU Operation Centre, staffed by a small core team of eight and ready for activation since 1 January 2007.

17 Sweden as a framework nation contributed the majority of troops: a mechanized infantry battalion with two light companies, one heavy company and a logistics company, as a core unit as well as personnel for Combat Support Units and Combat Service Support; Finland contributed personnel for combat support elements: a heavy mortar platoon, a platoon-sized Chemical Biological Radiological and Nuclear (CBRN) detection detachment and a unit in the joint Swedish-Finnish intelligence ISTAR Company and for combat service support elements: logistic and military police personnel; Norway contributed personnel for medical services, logistics and strategic lifts, while Estonia provided an infantry platoon for force protection. Furthermore, all participating countries contributed staff personnel to Operation HQ and Forward HQ. Jan Joel Andersson: Armed and Ready? The EU Battlegroup Concept and the Nordic Battlegroup, Report No. 2, March/2006, Swedish Institute for European Policy Studies, pages 37-38.

18 Web page of the Swedish Armed Forces.

19 Polish-led EU Battle Group by Marcin Terlikowski, BULLETIN No. 3 (79), January 11, 2010, The Polish Institute of International Affairs.

20 EUMC Report to PSC on the Outcome of BGCC 1/12, 8975/12 ADD 1, Brussels, 26 April 2011.

21 Three of them have already been used: Mont Valérien HQ for Operation Artemis in DRC in 2003 and EUFOR TChad/RCA in 2008; Postdam HQ for Operation EUFOR DRC in 2006; and Northwood HQ for EUNAVFOR Atalanta (from December 2008 onwards).

22 The EU Operations Centre is not a standing HQ. There is on a permanent basis only staff in Civ/Mil Cell responsible for maintaining the capability to activate the operations centre at any time. Initial operating capability (i.e. capability to plan an operation) is within 5 days and full operational capability (i.e. capability to run an operation) is within 20 days for an operation of up to 2,000 soldiers. EU web page on 27 March 2013 http://www.consilium.europa.eu/uedocs/cmsUpload/070228-EU_OpsCentre.pdf
Regarding the time frame, the EU should be able to adopt the decision on launching the EUBG-size operation within five days after the approval of the Crisis Management Concept by the Council and EUBG troops are supposed to be deployed in the area of operations in the period of 10 days thereafter and stay in the area of operations for 30 days with the possibility of extending its deployment to 120 days, depending on the resupplying capacities. Speaking in geographic terms, the EUBG is supposed to be deployed in the crisis area up to 6,000 km away from Brussels. In addition, an EUBG is dedicated to a new crisis which demands readiness for deployment at very short notice (up to 10 days) in order to avoid the escalation and/or to set the conditions for robust troops in the case of timely and troop-demanding operations. So, an EUBG is not meant to be used for current operations or for solving old crises such as the Afghanistan one. In the process of building the EU rapid response capacity, the year 2005 was the targeted year for setting up the first EUBG, i.e. reaching the initial operational capability (IOC), i.e. a minimum of one BG was constantly on standby for six months, and the year 2007 was set as the year for reaching the EUBGs’ full operational capability (FOC), meaning that the EU is able to undertake two simultaneous rapid response operations.
Missions, Tasks and Preparations

The exact aims and tasks of the EUBGs are not defined in any document. They are based on the missions and tasks set up for EU military operations in general. At the beginning, the definition of EUBGs’ missions and tasks were based on the so-called Petersberg Tasks (humanitarian and rescue tasks, peacekeeping tasks and tasks of combat forces in crisis management, including peacemaking) and tasks defined by the European Security Strategy 2003 (joint disarmament operations, support to the third countries in combating terrorism and security sector reforms). Since 2009 the above-mentioned EU military tasks are to be found in one place, in the Lisbon Treaty articles 42(1) and 43(1).

In this context we should mention that each engagement of the EU military forces, whether rapid response or not, asks for UN legitimacy of the operation. In addition to that, there are two main conditions that have to be met to enable EUBG deployment: a new crisis and the need for rapid reaction. In the case of the latter, the EUBG could be employed as a stand-alone force in a short-term operation, or as an advanced force in a long-term operation facilitating the conditions for deployment of the robust troops. The duration of the EUBG engagement could be considered as a third condition, since the maximum foreseeable use of an EUBG is up to 120 days.

23 The Lisbon Treaty in Article 42 point 1 says: “The common security and defence policy shall be an integral part of the common foreign and security policy. It shall provide the Union with an operational capacity drawing on civilian and military assets. The Union may use them on missions outside the Union for peace-keeping, conflict prevention and strengthening international security in accordance with the principles of the United Nations Charter. The performance of these tasks shall be undertaken using capabilities provided by the Member States.”

24 Article 43 point 1 of the Lisbon Treaty stipulates: “The tasks referred to in Article 42(1), in the course of which the Union may use civilian and military means, shall include joint disarmament operations, humanitarian and rescue tasks, military advice and assistance tasks, conflict prevention and peace-keeping tasks, tasks of combat forces in crisis management, including peace-making and post-conflict stabilisation. All these tasks may contribute to the fight against terrorism, including by supporting third countries in combating terrorism in their territories.”

In order to better prepare EU military capabilities for action, in November 2006 five illustrative scenarios for possible use of EU military forces were set up:

1. Separation of parties by forces requires direct combat engagement, so an EUBG could be engaged in peacemaking activities or for securing vital lines of communication;

2. Conflict prevention, in which the EUBG could be tasked to conduct disarmament operations, enforce embargoes and/or supervise counter-proliferation efforts;

3. Stabilization, reconstruction and military advice to third countries, where an EUBG might be tasked for traditional peacekeeping activities and maintaining security and stability by monitoring cease-fires and withdrawals or providing military assistance for third countries in need of institution building and security sector reform;

4. Evacuation operations in a non-permissive environment, where the EUBG could assist in the evacuation of non-combatants from a hostile environment;

5. Assistance to humanitarian operations where the EUBG could help in delivering humanitarian aid or in protecting aid workers in the field. If we analyse these five scenarios we can see that the EUBG matches the latter two perfectly, although none of the others can be excluded.

Based on the above-mentioned scenarios, G. Lindstrom (2007: 18-19) pointed out three main situations for EUBG employment:

- Bridging operations in which the EU would support the troops already on the ground, to reinforce them or to take operational responsibility for a specific geographic sector to enable the existing troops to regroup;

- Initial entry rapid response operation, where the EU forces would have a role of an initial entry force as an advance force to the larger ones that follow on;

- Stand-alone operations, in the case of operations of limited time and scale requiring rapid response.²⁷

Member states’ commitment to battlegroups is on a voluntary basis. Consequently, their training, equipment, evaluation and certification are national responsibilities too,²⁸ therefore a contributing member state is responsible for training and certification of its commitments at the unit level and the framework nation for training and certification of the whole force package, especially in the area of command, control and communication. The role of EU institutions is limited to facilitating the coordination among the participating nations, and the EU Military Committee and EU Military Staff mainly monitor the EUBG certification process. In order to meet the demanding requirements or standards and be able to act during the standby period each EUBG is declared long enough (usually three to five years) in advance and has to pass the highly demanding training process and certification at the end. Regarding the training standards, EUBG contributing nations rely on the NATO standards wherever possible thus avoiding duplication and promoting further interoperability. In other words, national military forces for both (the EU and NATO) come from the same single set of forces.

Since 2007 when the EUBG concept reached the FOC stage, deployment of EUBGs has been considered a few times (in 2006 for DR Congo and Lebanon, 2008 for the Eastern DR Congo²⁹ and Chad, 2010 for Haiti, 2011 for Libya and 2012 on the occasion of support for EUFOR Althea whose forces were sent to reinforce international forces in Kosovo during the electoral period in Serbia³⁰) but so far not a single EUBG has ever been deployed. Furthermore, slots for recent years remain blank or there is only one (instead of two) EUBG declared for a certain period.

²⁸ Document: Increasing the Flexibility and Usability of the EU Battlegroups, 15336/09, Brussels, 4 November 2009, point 6.
²⁹ In July 2006, the Democratic Republic of Congo (DRC) required UN mission assistance prior to, during and after national elections. The requirement was for approximately 1,500 troops. At that time Germany had one EU BG on standby but political leaders considered that the situation did not ask for a rapid response while this mission was known in advance, and because the mission would last longer than 120 days. More details in: Lindstrom G: Enter the EU Battlegroups, Chaillot Paper No 97, EUISS, February 2007, pages 57-58.
³⁰ The idea was rejected by the EUMC based on the fact that EUBGs are not meant to be used as reserve forces. The reason could also be the fact that EUFOR Althea is not a new crisis spot but an old one. Hatzigeorgopoulos, Myrto: The Role of EU Battlegroups in European Defence, Institute for Security, European Security Review 56, June 2012, page 5.
### Declared EUBGs from 2007 to 2018

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Financial aspect

EU operations having military and defence implications are financed according to the principle “the costs lie where they fall”, which means they are almost entirely financed by participating member states. The Union’s budget covers only administrative costs for EU institutions (Article 41(1) TEU) and operating costs for civilian missions (Article 41(2) TEU), while in the case of military engagement participating states are charged. The operating costs of EU military operations are financed through the ATHENA mechanism where contributions are provided by participating nations based on a GNI scale. The ATHENA mechanism is managed under the authority of a special committee composed of a representative of each member state participating in the operation and takes decisions by unanimity. It should be mentioned that Denmark has opted out of the EU Common Security and Defence Policy on military matters, so it does not provide finance for EU military operations. Furthermore, if a member state abstains in a vote and makes a formal declaration (constructive abstention) it is not obliged to contribute to the financing of the respective operation expenditure (Article 41(3) paragraph 2 TEU).

The ATHENA mechanism basically covers incremental costs for headquarters (HQ implementation and running costs, including travel, computer information systems, administration, public information, locally hired personnel, Force Headquarters (FHQ) deployment and lodging) and those for forces as a whole (infrastructure, medical services in theatre, medical evacuation, identification, acquisition of information (satellite images). If the Council decides so, the expenditure for transport and lodging of forces and critical theatre-level capabilities (demining, chemical, biological, radiological and nuclear (CBRN) protection, storage and destruction of weapons) could also be covered by ATHENA. However, the costs covered through ATHENA rise up to 10% of the total costs for certain operations. For financing EUBG engagement the same rules would be applied.

31 The ATHENA mechanism was set up by the Council of the European Union on 1 March 2004 and amended after that a few times, most recently in December 2011.

Applying the aforementioned on the EUBGs means that each participating country covers costs for equipment, salaries, training in the preparatory period, certification and transportation of its troops to the area of operation. The same goes for all costs during the standby period. Swedish authorities calculated that from 2005 to 2008 the costs of leading the Nordic Battlegroup were approximately 240 million euros and costs associated with the standby period are estimated at about 38 million euros.\textsuperscript{33} Bearing this in mind, no wonder many member states do not take the role of leading or framework nation and not even a larger role in the EUBG concept. One has to agree with the view of the European Parliament’s Committee on Foreign Affairs that “applying the ‘costs lie where they fall’ principle to the battlegroups (not only BG but all military forces), put on stand-by on a voluntary and rotational basis, is contrary to the principle of fair burden-sharing.”\textsuperscript{34}

Financing EU military operations was recognized as a problem even in the Lisbon Treaty and subsequently it predicted the establishing of a start-up fund for urgent financing of initiatives in the CFSP framework, to improve the speed and efficiency of EU action, and for tasks within TEU Article 42(1) and Article 43 when the Union budget cannot be charged.\textsuperscript{35} In this regard, the Lisbon Treaty wording was, unfortunately, quite unclear, especially about its added value in reference to the ATHENA mechanism and so far nothing has been undertaken. Apart from other stakeholders, even the European Parliament is encouraging the changes in the current way of financing EU military operations with a view to improving the principle of fair burden-sharing. In this way, the European Parliament has recently supported the adjustment of ATHENA to “increase the proportion of common costs”\textsuperscript{36} and called for “a significant expansion of the common costs for rapid reaction operations, up to a full coverage of costs when battle-groups are used”.\textsuperscript{37} Also, the EP assumes “that any costs that are not linked to military operations, such as preparation and stand-by costs of battle-groups, could be charged to the EU budget”.\textsuperscript{38}

\begin{flushright}

34 European Parliament, Committee on Foreign Affairs draft report on the EU’s military structures: state of play and future prospects (2012/2319(INI)), Rapporteur: Marietta Giannakou, point 16.

35 See Lisbon Treaty, Article 41.


37 European Parliament, Committee on Foreign Affairs draft report on the EU’s military structures: state of play and future prospects (2012/2319(INI)), Rapporteur: Marietta Giannakou, point 16.

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EU decision-making process

Having no army, the EU relies on the member states’ contributions which means that the whole decision-making process is more complicated, especially from the perspective that the matters concerned are subject to the provisions of intergovernmental cooperation and thus consensus. The situation with the EUBGs is even more complex due to the need for rapid response to the potentially escalating crisis. So, the reaction period is pretty tight and lots of work is needed. On the one hand, the EU has to decide on launching the operation and the manner in which to react, while on the other hand member states have to decide on a national level whether to participate or not.

A large number of actors are involved in the decision-making process on the national as well as on the EU level. This brings the usability of the EUBGs to a very challenging stage. Concerning the national levels, we have to bear in mind not only the usual parliamentarian decision process that requires certain time but also so-called national caveats that reduce the possibility of the use of forces and thus making an impact on the scope of the EUBGs’ usability. In most countries, if not all EU member states, the decision regarding the employment of military forces is made by parliaments, which as we all know have their schedule and strictly defined frequency of meeting as well as their procedure for recalling extraordinary meetings.

At the EU level the decision-making process is closely connected with the planning process and includes many players and even more papers. The decision-making process includes the Political and Security Committee (PSC), EU Military Committee (EUMC), EU Military Staff (EUMS) and Council as the main decision-making bodies in cases of EU action with military and defence implications.

The Political and Security Committee (PSC) consists of the member states’ ambassadors, meets at least twice a week and is responsible for managing crisis situations and day-to-day decision-making on CFSP

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and ESDP. When a certain crisis draws the attention of the PSC and it concludes that EU action is needed, the next step is drawing up a Crisis Management Concept (CMC) that contains the political interests of the EU, the aims and objectives of the operation, politico-strategic options for responding to the respective crisis and a possible exit strategy. CMC is adopted by the Council and constitutes the basis for developing strategic options that can be military (MSO), police (PSO) or civilian (CSO). A Military Strategic Option, a document that comprises risk and feasibility assessments, command and control structures, force requirements and the identification of forces available for deployment, as well as recommendations regarding the potential operational commander and headquarters (HQ), is drafted by the EUMS under the direction of the EUMC and guidance of the PSC. Based on the MSO, the Council decides to act (CD – Council Decision) and at the same time the EUMC, backed by the EUMS, works on a planning directive for the operation, i.e. an Initiating Military Directive (IMD), which translates the CD into military guidance for the Operation Commander and serves at the same time as a platform for two other planning documents, the Concept of Operations (CONOPS) and the Operation Plan (OPLAN), as well as for the Council’s Joint Action on launching the operation, concurrently appointing the Operation Commander (OpCdr) and deciding on the financial aspects. Before the EU Council adopts the Joint Action, the UN mission mandate has to be issued to give a legal basis for launching the EU operation. Once appointed, the OpCdr is responsible for operational planning documents. Two of them are crucial; the Concept of Operations (CONOPS), which gives an overview on the implementation of the operation, and the Operation Plan (OPLAN), which describes in detail each aspect of the operation. Since detailed planning for a mission asks for OHQ planning capacities at this stage the EU Operation Centre has the role of facilitating preparation of the CONOPS and OPLAN until the Council designates the OHQ that will lead the operation. In this regard, the EU could designate one of the five national OHQs put at the EU’s disposal by Britain, France, Germany, Italy and Greece or the EU OpsCentre. At the military operational level, an EU operation or an EUBG operation will be led by a Force Commander from

40 The tasks of the PSC are defined by Article 25 of the Treaty on European Union. They include monitoring the international situation, drafting opinions of policy for the Council, monitoring implementation of agreed policies and providing guidelines on CFSP for other committees. Details in: Council Decision of 22 January 2001 establishing the Political and Security Committee of the European Union (2001/71/CFSP).

41 Björkdahl Annika and Strömvik Maria: The decision-making process behind launching an ESDP crisis management operation, DIIS Brief, April 2008, page 3.
a Force Headquarters (FHQ) deployed in the area of operation. When
the OPLAN is approved, the Council takes the decision to launch the
operation. During the operation, the PSC exercises political control and
strategic direction of the operation, including the assessment regarding
its refocusing or termination.42

Speaking in the context of EUBG deployment it means that there are
only five days between the two main Council decisions: adoption of
CMC and launching the operation. It also means that 10 days after the
decision regarding the launch of the operation at least the first EUBG
personnel have to enter the area of operation – a pretty demanding
task, bearing in mind the huge EU administration and consensus-based
decision in defence and military matters.

Furthermore, the UN mandate is a sensitive issue for the European Union.
So far all EU operations have been under the UN mandate. It depends
on EU members whether it will be valid for the future too or whether there
could be a situation when the EU would react without UN mandate. The
latter possibility would definitely have a positive impact on rapid reaction
possibilities while reducing the time for reaction, but whether it would be
acceptable for EU members is hard to say. In any case, it has to be taken
into consideration sooner or later.

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Concluding remarks

For decades the EU cherished the discrepancy between its economic significance within the international community and almost insignificant role in the political, and above all, security and defence area while relying on NATO. At the end of the 1990s came the time for the development of its own security assets in order to protect its interests and citizens. The first step in that direction was creating the Common Foreign and Security Policy which in a short time led to the creation of the European Security and Defence Policy thus putting at the EU’s disposal civilian and military capabilities for dealing with the crisis spots around the world. Great promoters of the EU’s development in security and defence matters were France, Germany and the UK, but other member states were more than willing to follow them. The speed of development in the ESDP area was truly impressive, especially in relation to the EUBG concept that represented true added value to the EU capacity for reaction in the international hot spots.

The EUBG concept initiated at the Franco-British summit in Le Touquet in February 2003 quickly resulted in the first member states’ pledges in November 2004 and reached full operational capabilities in January 2007 putting at the EU’s disposal two of them in each semester. What a tremendous start for something that did not get practical confirmation after six years of existence and beside that ended with an empty slot in the first half of 2012! Will the EUBG concept become a paper tiger like its predecessor the ERRF or many other EU initiatives? Does it still have any value or has it already failed? The outcomes of the EUBG concept could be evaluated twofold – to a certain extent the EUBG initiative was successful while on the other hand it was a failure.

The economic crisis has put each country’s budget under great pressure. The most common way to address this problem is by decreasing the public budget, especially its defence part. That leads to cutting down investments in research, development and procurement in the defence sector. In contrast to cutting down the budget, participation in the EUBG concept asks for the dedication of a huge amount of money for building and preparing the EUBGs and even more money for their eventual
deployment. In addition, the overall contribution of the countries whose EUBGs are not on standby at the time of operation is doubtful, bearing in mind the functioning mode of the ATHENA mechanism as well as the financial modus operandi as a whole. Therefore, the burden and sharing principle is definitely undermined in the case of EUBG employment, unless the EU finds out a way to finance its military operations in the manner of a civilian one. It could be argued that security costs a lot but at least the expenditures could and should be divided fairly.

In addition, all participating countries suffer a certain shortfall regarding the means of deployment, i.e. strategic air and sealift. Acquiring such capabilities requires a lot of money and there is also the problem of their usability. Namely, transport by sealift is time-consuming while using faster airlift capacities is restricted by the limited landing possibilities in Africa, the most probable area of deployment, and finally both kinds of strategic transport are further affected by bad road conditions and the length of transportation from entry ports (air or sea) to the area of operation. And EUBGs are supposed to enter the area of operation within 10 days of the EU decision. Also, the fact that all countries have the same set of forces at their disposal for EU, NATO and UN activities has to be taken into account.

Time pressure is also one of the obstacles in the EUBG story since it put at odds the need for rapid reaction and EU/national bureaucracy. Besides that, the decision-making process for EUBG deployment includes the consensus of all member states.

The fact that none of the EUBGs was deployed despite its engagement being considered a few times additionally complicates the positive judgement of their value. Their credibility in undertaking CSDP rapid actions has not been proven yet and “waiting for the ideal crisis may turn the Battlegroup into a ‘forgotten’ instrument of the CSDP toolkit” (Hatzigeorgopoulos, 2012: 6).43 On the other hand, neither have the forces declared through capability catalogues been used. When it comes to EU-led operations, the ad hoc force generation processes still prevail.

However, EUBGs have significantly intensified and deepened cooperation among not only EU member states but among candidate countries and European NATO members as well. EUBGs have also had an important role in developing interoperability standards and transforming the military forces of respective states. Yet this impact is limited to the very small component of their troops and is therefore more significant for individual member states than for the Union as a whole. In the future, the EUBGs could have a positive impact on deepening EU integration in the security and defence area. The challenge the EU faces is to provide as many capabilities to protect its interests and citizens with less money. Savings could be achieved through cooperation with other countries and specialization. In this case, EUBGs could act as driving forces for closer and expanded cooperation among the participating states and contribute to the reduction of costs through the implementation of a pooling and sharing initiative.

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The opinions expressed in this article are authors own and not those of the MOD.
Does more (or less) lead to violence? Application of the relative deprivation hypothesis on economic inequality-induced conflicts

Nemanja Džuverović

Abstract

This article employs the relative deprivation theory in order to explain the formation of violent conflicts induced by an increase in economic inequality. By using the frustration-aggression hypothesis, the author attempts to illustrate how the rise in inequality, caused by changed economic structure, can be transformed into violence, often accompanied by material and human casualties. In addition to the theoretical framework, the article relies on empirical studies carried out by using relative deprivation as a starting point. Finally, the author observes indications that inequality-induced conflicts could soon take place in developed and developing countries, which is why new models of development and economic policies must be implemented and thus used as conflict-preventing mechanisms.

KEY WORDS:

economic inequality, violent conflicts, Ted Gurr, relative deprivation
Introduction

Numerous conflict studies have led to the creation of a corpus of knowledge which has revealed the need to take into account the complexity and multidimensionality of conflicts, while examining the underlying causes leading to violence. This, among other things, means that it is not possible for a conflict to be fully understood (and thereby resolved) unless all potential causes are considered. Therefore, multi-causality may imply the simultaneous existence of several different causes (political, religious, ethnic, etc.). The cases of Nigeria during the 1960s and Rwanda in the mid 1990s, where ethnic conflicts were also stimulated by unequal access to political institutions and the different economic position of belligerent actors, may be used as possible examples. On the other hand, complexity may imply that conflict is motivated by a group of abutting reasons, whether political, social or any other. Weak or failed states in which (along with the inexistence of state authority on their complete territory) the access to central government for certain groups is withheld represents one of the possible examples (Somalia or DR Congo). Furthermore, it is necessary to consider and research phenomena (and processes) whose activity creates conflict potential that, under certain conditions, can lead to the emergence of incompatibilities between the actors, and thereby have the outbreak of violence as its consequence.

Socio-economic factors have been taken into consideration in conflict research since the beginning of the 1980s, when researchers started showing interest in the analysis of direct economic causes (natural resources, GDP growth, tax and revenue systems, etc.), as well as in the economic phenomena that could have possible conflict potential, among which, one of the most important is economic inequality (Thorbecke and Charumilind, 2002).

The end of the Cold War broadened the above-mentioned field of analysis, while, since the early 21st century, the problem of economic inequality has started to gain a central position in the research on causes of violent conflicts. There are two reasons for this change. The first is given by the inequality itself, which nowadays has reached its historical maximum, both on a national and a global level. Income inequality is on average one-third higher than it was in the previous century. In certain
cases (ex-USSR countries), the inequality has doubled during the last three decades, while in the most drastic examples (PR of China) it is three times higher (Cornia, 2003). On a global level, the situation is similar. Here the ratio of the wealthiest compared to the poorest countries (20 per cent of them) has worsened four times in the last half of the century (from 1:20 to 1:80) (Rivero, 2010; Milanović, 2006).

The second reason for the increased interest in researching economic inequalities is given by the disappearance of corrective mechanisms present for most of the previous century. With the change in the economic model, which started in the late 1970s and became global with the end of the Cold War (through the model of neoliberalism), the mentioned mechanisms have completely disappeared. Due to this change, inequalities began to grow dramatically, thereby additionally intensifying the already very high conflict potential. In these conditions, economic inequalities ceased to be only latent and became a manifest cause of violent conflicts. That is why their examination today is one of the priorities for peace and conflict researchers.

The analysis of economic inequalities also provides an opportunity to act towards their prevention. Authors like Gurr assert that the time gap between the manifestation of a specific cause and its transformation into a violent conflict is at least ten years, which offers an opportunity to establish effective prevention strategies. In the case of economic inequalities, the formulation of such strategies would have a dual influence. On the one hand, the importance of economic factors in the escalation of violence would decrease, while parallel to that, it would act towards conflict prevention (Burton, 1990).

2. Relative Deprivation Theory

In the research on economic inequalities as causes of conflict, relative deprivation represents a theoretical framework which may contribute to better understanding the relatedness of the two phenomena. This is done primarily by emphasizing socio-psychological characteristics of individuals, i.e. the frustration that arises in them due to the discrepancy
between the actual and expected situation. The standpoint derives from Dollard et al. (1939), who believed that frustration is a necessary element for violence to occur. Frustration, in their opinion, appears when an individual is prevented from achieving a certain goal, which is followed by a disturbed psychological balance and tension that can be released only by aggression directed towards the cause of the frustration or (if he/it is not accessible) some other, alternative target. The hypothesis was later altered with the attitude that frustration creates readiness for aggression but only under certain conditions (Berkowitz, 1972, cited in Vasović, 2007), while aggression itself is interpreted as a drive that can be found in all human beings, and is manifested through an instinct towards destruction (Freud), or as a survival-enhancing instinct (Lorenz). Subsequent research was conducted mostly by Ted Gurr whose book Why Men Rebel (1970) represents a starting point for theoretical and empirical research on conflicts which are the result of political, but also economic relative deprivation.

Gurr defines relative deprivation as a discrepancy between the value expectations of individuals and their capability to fulfil these expectations, whereby expectations are understood as goods and life conditions individuals think belong to them (or should belong), while value capabilities are goods and life conditions individuals can attain (or maintain) with the means at their disposal. In line with this is also Runciman’s definition which states that relative deprivation is present when “person A does not possess X, but knows that others possess X. Because of that, person A wants to get X and thinks it is possible” (1966, p.10); and the conclusion made by Thorbecke and Charumilind that deprivation-induced discontent is generated not from inequality per se but from the gap between an individual’s expected and achieved well-being (2002, p.1486).

Expectations and capabilities belong to the category of values, which Gurr defines as desired events, objects or states of affairs that most people

1 This change was introduced due to the impossibility of Dollard’s findings to explain why certain group is chosen as alternative for transferred aggression, and because it was not possible to explain how individual frustrations lead to collective action (Bilig, 1976).

2 Next to this is research conducted by Runciman (1966) on grievances caused by class, status and power positions, which could lead to egoistic (personal) or fraternalist (group) relative deprivation.

3 Not only in the present but in the future as well. In the first case (the present), individuals think the current state of affairs is justified, while in the other (the future) a new state of affairs is legitimately expected.
are striving for. If values (expectations and capabilities) are unbalanced, this might lead to relative deprivation, and (under certain conditions) to the escalation of violent conflicts. The author recognizes three groups of values, the first one (welfare values) being the most important because it directly contributes to the physical and psychological well-being of individuals. This group is comprised of goods and pleasures (economic values) on the one hand, and the development of mental and physical abilities (self-actualization values) on the other. From this it is clear that one of the possible causes of relative deprivation may very well be the unevenness between actual and expected economic values where economic inequality is an integral part of this group.\(^4\)

Long-term value discrepancy cannot be sustained without social consequences. If the present conditions in a society favour an increased level of individuals' expectations, but fail to do the same when it comes to their capabilities, the chances of discontent increase significantly. The reverse is also true. If capabilities are decreasing, without a decline in expectations, the likelihood of the formation of discontent becomes evident. Caused in such a way (by deprivation), discontent is a call to action, and the stronger the frustration, the greater the likelihood of manifesting violence. Furthermore, if values are not balanced, discontent can be redirected towards state institutions, thought to be most responsible for such a state of affairs. If that happens, the prospects for conflict escalation become significantly higher. The author describes this process with the following words: “The primary causal sequence in political violence is first development of discontent, second the politicization of that discontent, and finally its actualization in violent action against political objects and actors. Discontent arising from the perception of relative deprivation is the basic, instigating condition for participants in collective violence” (Gurr, 1970, pp. 12-13).\(^5\)

\(^4\) Beside welfare, Gurr also recognizes power values which determine the degree of influence one individual has on the behaviour of others, as well as the effect others can have on his own behaviour (participation and security values). These values are especially important for the relation between violent conflicts and inequalities resulting in an uneven political position. Finally, interpersonal values represent the psychological satisfaction individuals seek in interaction with others (social status, group participation, common beliefs) and whose misbalance, under certain conditions, is equally as dangerous as the previous two in conflict formation.

\(^5\) Politicization is primarily determined by the intensity of deprivation, but in certain cases other social variables may also have an influence on deprivation intensity. As the most important variables Gurr recognizes: sanctions for open aggression, success/failure of previous violent actions, appeal for justified violence, system legitimacy, and government responses to the formation of discontent.
With regard to the economic values, Gurr states that if they are rigid over a longer period of time and people live on the edge of survival, every (even marginal) deterioration of the economic situation may lead to the outbreak of violence. As the most important economic parameters (for creating deprivation) he identifies: increased unemployment, inflation, and change in the system of production. The first two parameters are the most important because they represent the main causes of increase in income inequality (Cornia, 2010). Support for these claims is found in research conducted by Gurr (1968) on a sample of 114 states, which showed that 20 per cent of all conflicts are caused by economic decline or economically related factors with the definite conclusion that reduction in economic capabilities in part of the population leads to an increasing danger of outbreak of violence. Similar findings can be found in Abeles’ (1976) research on the relationship between African Americans’ beliefs about economic inequality and black militancy, or Walker and Mann’s (1987) analysis of the correlation between the number of unemployed Australians and the frequency of social unrest in this country (Tyler and Lind, 2001: 46).

It should also be noted that, in Gurr’s view, economic factors could generate conflicts only to a certain extent. An unfavourable economic situation encourages people to be violent, but not when the material position is such that it compels individuals to struggle for their psychical subsistence, i.e. when they are at the “starvation threshold”. If that is the case, the likelihood of outbreaks of violence declines rapidly, or, in the words of Hobsbawm (1959, p.79), “when people are really hungry they are too busy seeking food to do much else; otherwise they die from hunger”.

Patterns of deprivation

Gurr recognizes three patterns of deprivation, which all may have a part in the emergence of violence. Decremental deprivation appears when value expectations within a group are constant (or vary only slightly) over a long period of time, while value capabilities decline substantially. In this pattern of deprivation, conflict is created because people are not capable of achieving what they once were and what they would like to
achieve. Conflicts mostly emerge because of the creation of decremental deprivation.

This form of deprivation usually emerges because of a decline in the production of material goods, the unwillingness of political elite to resolve conflicts, foreign influence or loss of confidence in the society integration mechanisms. Decremental deprivation may also emerge when a group loses access to scarce resources (for example progressive taxation on the wealthy or the loss of political influence).

Decremental deprivation is also a potential explanation for the relation between inequalities and conflicts, since it emerges as a consequence of changed circumstances. In the case of economic inequalities, change can be linked to the introduction of a new, neoliberal model which led to a drastic increase in income polarization due to excessive trade liberalization and market deregulation during the 1980s and 1990s (Cornia, 2003). In that situation many individuals who had previously been capable of attaining a certain quality of life were subsequently unable to do so. In Gurr’s words, this means that value expectations stayed the same, but capabilities substantially decreased, which may lead, if such tendencies continue, to the induction of decremental deprivation and subsequent eruption of violence. The stated explanation can be applied both to developed countries in periods of crisis (for example Greece or Spain) and to middle-developed countries (Eastern Europe) that underwent these exact changes during their transition.

In addition to the loss of resources, decremental deprivation may also emerge due to a decline in certain opportunities, for instance with regard to employment or education. This is also an important factor because, if individuals are not able to acquire adequate education or get an employment position in accordance with their competencies, they may remain in the lower part of the income scale. If opportunities are limited for a large number of individuals (which is the case in neoliberal economies because of very high education fees and the smaller number of employment positions in the primary sector [for horizontal inequalities see Stewart and Langer, 2008]), then decremental deprivation may lead to an increased level of frustration which can be transformed into conflict.
In the case of aspirational deprivation, value expectations are substantially increased without any increase in capabilities for their fulfilment. Individuals or groups who are undergoing aspirational deprivation have not experienced any loss, but frustration emerges because they cannot attain new, notably higher expectations. These expectations may be related to goods they already possess or they never had before (for example political participation in former colonial administrations).

Aspirational deprivation may be an appropriate theoretical framework for explaining the emergence of conflicts in developing countries (former Third World). Economic opening has enabled these countries to reach high economic growth, but at the same time it has also considerably increased the inequalities (for the examples of China and India whose record levels of economic growth are followed by a dramatic increase in income inequality, see Milanović, 2007). In such circumstances individuals have higher expectations due to the overall progress that is being achieved, but they do not have the ability to fulfil these expectations since it is limited to a very small group of people (this is very close to Horowitz’s [1985] concept of ranked groups consisting of subordinate and super-ordinate subgroups with restricted mobility). As in the case of decremental deprivation, education and employment play important parts since they are constricted to a limited number of citizens, diminishing in that way the opportunities for the rest of population. A situation of this kind can be more dangerous than decremental deprivation because a larger number of people are affected (due to the large populations in developing countries) and thereby prospects for conflict outbreak are higher.

Progressive deprivation occurs when during a prolonged period of time both value expectations and capabilities evenly increase because of the constant progress. If, after a long period of growth, a sharp decline in capabilities occurs, progressive deprivation may appear. Examples of progressive deprivation are usually found in societies that have gone through ideological and systemic changes (for instance, a period of economic depression in growing economies like the one in South Asia in 1997). This type of deprivation may also be useful when formulating theories of revolution by asserting that political violence occurs as a consequence of an inappropriate response of social structures to objective changes.
In the case of politically deprived conflicts, decremental and progressive deprivation show wider applicability than aspirational deprivation. When it comes to conflicts induced by economic deprivation the situation is somewhat different, since aspirational deprivation can be used to explain the formation of most of the conflicts, which is not completely plausible for decremental deprivation. Progressive deprivation is not fully applicable in explaining economic deprivation (in contrast to the political one) due to the nature of economic values which rarely imply a constant growth of capabilities and even less so with a parallel increase in expectations.

It should be noted that Gurr believes that, over time, people tend to adapt their expectations to their capabilities, which is why the discrepancy is usually a temporary phenomenon. Individuals show the ability to make value capabilities closer to their expectations, or, if that is not possible, to lower expectations to the level of their capabilities. However, in the case of very high expectations, the equalizing effect takes years, decades or even generations. This is because people quickly obtain the habit of expecting more than their social capabilities allow, but they also get easily frustrated when available means prove to be insufficient and they become aware of their own limitations (Gurr, 1970).

**Empirical Research Overview**

Empirical studies based on the relative deprivation hypothesis have tried to confirm (by using statistical and econometric methods) the theoretical assumptions regarding the relation between economic inequality and conflicts. Although it is not a theory that inspired a large number of empirical studies (like, for example, the theory of resource mobilization), the obtained results are significant since they confirm the assertions that relative deprivation may be an incentive for violent conflicts.

The first research is the one conducted by Sigelman and Simpson (1977) who, by using econometric analysis, tried to confirm three hypotheses, one of which directly favours the correlation between economic inequality
and conflict, while the other two confirm (or disprove) the findings regarding the relatedness between relative deprivation and conflicts.\(^6\)

It should be noted that the authors examined not only the way in which the wealth is distributed, but also a number of other factors, such as the overall wealth available for distribution, the social and cultural diversity of the population, and the rate at which social change occurs. As indicators they used unequal distributions of income (individual), political violence, social mobility (number of enrolment quotas for educational institutions), cultural diversity, speed of social change (increase in number of inhabitants in cities with a population greater than 100,000 people), size of population and growth of GDP. The sample consisted of 49 countries and included 40 per cent of the world’s population, which was, according to the authors, an adequate representation of the world’s heterogeneity.

The results confirmed hypothesis (1), asserting the correlation between the inequality in national income and political violence, although the impact of the inequality proved to be rather moderate. No evidence was found that would substantiate initial claims for the second and third hypotheses. Research even showed a negative correlation between conflict and the average level of the world’s Gini coefficient (44.8 at the moment of research) as well as Gini 50 (stable economy). Hypothesis (3), claiming that a conflict is most likely to occur when the differences are at their highest or lowest point, was also unverified. The introduction of additional indicators did not change the situation significantly.

Though the research did not detect a high level of correlation between economic inequalities and conflicts, it is significant since it empirically proved the relation between two phenomena, and, even more importantly, it proved that relative deprivation can be used to explain the conflicts induced by economic inequalities.\(^7\) The authors concluded their research with a note about the importance of examining different types of inequalities, and the relations between them, which is especially

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\(^6\) The three hypotheses are: “[1] The greater the inequality in the national distribution of personal incomes, the greater the level of political violence; [2] The greater the national deviation in either direction from the mean of the distribution of national income inequality scores, the greater the level of political violence; [3] The less extremely concentrated or dispersed the national distribution of personal incomes, the greater the level of political violence” (Sigelman and Simpson, 1977, pp.106-9).

\(^7\) Hypotheses (2) and (3) confirm that conflicts do not break out when inequalities are low (or extremely high), as Gurr has emphasized.
significant since the interconnection with cultural, political and social inequalities can foster, or even prevent, the formation of conflicts caused by high economic polarization (cumulative or cross-cutting effect).

Another research, conducted by Alesina and Perotti (1996), examines the relations between an increase in economic inequalities and political instability, which is very broadly defined and embraces: politically motivated murders, the number of people killed in internal turmoils (with respect to total population), successfully and unsuccessfully executed coups d’état, as well as the frequency and freedom of elections. This is why research on political instability is analysed in respect of the claims about causality between economic factors and of violent conflicts introduced at the beginning of the paper.

The research was carried out on a sample of 71 states in the period 1960-1985 and it confirmed the initial hypothesis that economic inequality instigates discontent which can subsequently lead to socio-political instability (and an increased possibility of coups d’état, revolutions, political violence, etc.), and finally result in fewer investments and decreased economic growth. Based on the results, the authors conclude that economic inequality and investments are negatively correlated, which is why it is possible to explain why some countries of the Far East, which had implemented agrarian reform and reduced economic inequality, have attracted more foreign investments, and achieved political stability and high economic development, in contrast to regions such as Latin America where inequalities remain in place, thus preventing economic development.

The research conducted by Auvinen and Nafziger (1999, 2002) is of crucial importance for the analysis of the economic inequality-violent conflict relation based on the relative deprivation hypothesis. The reason why complex humanitarian emergencies (CHEs) may be related to violent conflicts can be found in their operational definition which describes emergencies as man-made crises characterized by extensive human suffering and life loss, physical violence and displacement, frequently followed by widespread disease and hunger. CHEs are not just rare occurrences, but rather the culmination of continuous political and economic decay (which often lasts for decades) of the state in question.
The main argument for grounding research on the relative deprivation hypothesis is that during this phase economic inequalities become explicitly visible, and therefore potentially more dangerous. In other words, relative deprivation is more important than absolute deprivation since short-term changes in economic status can have a much stronger influence on individuals than long-term fluctuation during which individuals can accustom themselves to a newly created situation and, by doing so, manage to avoid frustration. Furthermore, absolute deprivation does not offer a full explanation regarding the relationship between economic stagnation and a consequent lack of social cohesion (see Auvinen and Nafziger, 1999).

The first research (1999) is based on the premise that the vulnerability of a population reaches its highest peak during the phase of relative deprivation caused by economic inequalities. Relative deprivation may appear and subsequently cause the occurrence of a complex humanitarian emergency, even when there is a high level of economic growth, if followed by social polarization. According to the authors, it is especially dangerous if economic inequalities coincide with ethnic, regional or religious inequalities which can intensify the magnitude of a complex humanitarian emergency (the case of the Igbo people in Nigeria, whose fight for the freedom of Biafra was instigated by the loss of oil income in 1964, and followed by religious subordination imposed by central government).

The second research (2002) went one step further, claiming that economic inequalities are a by-product of historical circumstances (such as colonialism or apartheid), unequal distribution of land, an imposed tax system, current regional economic agreements and levels of corruption. Factors such as unequal educational opportunities, limited access to the labour market, unbalanced distribution of state income and linguistic discrimination favouring the language of the majority were also highlighted. The examples may include employment discrimination against the Bengalis in Eastern Pakistan during the 1950s and 1960s, the Hutu-Tutsi conflict for control of the central state institutions in Rwanda and Burundi, and linguistic and educational discrimination against the Tamils in Sri Lanka.

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An increase in relative deprivation does not necessarily lead to an increase in absolute deprivation. Stable economic development (no absolute deprivation) can be followed by unequal distribution (most probably due to a lack of redistributive mechanisms) which can lead to the formation of relative deprivation among individuals in the lower strata of the income scale.
Both researches also included other economic factors such as stagnation or decrease in GDP, inflation and food production. Like Collier and Hoeffler (2004), Auvinen and Nafziger also emphasize the role of natural resources in the outbreak of conflicts (the natural resources trap). Likewise, military expenditure (as a share in GDP) was considered to be one of the causes which may contribute to complex humanitarian emergencies. This is almost exclusively related to developing states where the military often has greater management capacities than the civil government and represents a potential threat, especially during economic crises when it is necessary to decrease military expenditure. Finally, conflict tradition is introduced as an additional factor in explaining the outburst of violence. In this context, countries with a history of political mobilizations which led to violent conflicts (like Colombia or Rwanda) are at greater risk of complex humanitarian emergency outbreak than countries where such a tradition is not distinctive or present.

Econometric analysis was conducted on a sample of 124 countries in the period from 1980 to 1995, and by using the World Bank database for countries with low and medium levels of income (high-income countries were excluded from the analysis). The results showed a robust correlation between complex humanitarian emergencies (in this case, violent conflicts) and a high Gini in the case of low-income countries. Additionally, it was shown that the length and intensity of humanitarian emergencies depended on the level of military expenditure and the history of armed conflicts. A similar conclusion also applies to the increase/decrease in GDP and the inflation rate. The last factor is also directly related to economic inequalities because inflationary shocks lead to income redistribution, from individuals with low and fixed incomes towards high-earning groups (at least in the initial phase of inflation). The results show that a 10 per cent increase in Gini improves the possibility of a complex humanitarian emergency outbreak by 1.2 per cent, while the same percent of GDP growth reduces it by 4.1 per cent. If GDP growth is 20 per cent higher, the prospects for CHE outset is an additional 3 per cent lower, while larger military expenditures increase the chances of the outbreak by 2.3 per cent. The other factors showed no statistically significant results.

The authors’ conclusion is that complex humanitarian emergencies are directly caused by economic factors (inequality, inflation, GDP, military expenditures), while the history of preceding conflicts may have an
influence on the formation and intensity of crises. Based on the results, the authors observe that developing countries need a change in their policy which will include more incentives for economic growth, the introduction of good governance, limitation (or if plausible prevention) of arms trafficking and the introduction of mechanisms for the prevention of shocks caused by deterioration in terms of trade.

Finally, the research of MacCulloch (2005) tries to answer the question of whether economic inequality affects revolution outbreaks.9 The results drawn from the database of 250,000 individuals and their attitudes show a positive stand regarding the desirability of revolution in the presence of a high economic inequality rate. The author finds the explanation for this stand in the rational thinking of underprivileged individuals, who perceive revolution outcomes as possible ways of acquiring rights and access to goods that would have been inaccessible to them otherwise. MacCulloch concludes the discussion about the relationship between the increase of the Gini coefficient and support for revolution with a note about evidently positive correlation.

Conclusion

Throughout the better part of the 20th century, states kept imposing economic systems that implied regulatory, but also redistributive mechanisms. The welfare state in Europe, the model of import-substitutions industrialization (ISI) in Latin America, the command system in the countries of the Socialist Bloc, the Third World development model (in Asia and Africa) and the US economy based on Keynesian principles were all able to restrict market forces, if it seemed necessary. Because of this, short-term increases in income inequality did not have social consequences since governments had instruments which could maintain the inequalities at a socially acceptable level. This is why, for the better part of the previous century, the economic factors were not considered to be a root cause of violent conflicts.10

9 MacCulloch defines revolution in terms of violent disruption of political systems and institutions which leads to an outburst of hostility that is often similar or identical to violent conflict.

10 The examples of Guatemala during the 1960s and El Salvador in the 1980s are in that regard exceptions.
Since the end of the 1970s, the above-mentioned systems have gradually been replaced, mainly by introducing a neoliberal model which became globally dominant by the beginning of the 1990s. In the new model, the redistributive mechanisms lost the importance they previously had, which is associated with the core values upon which the system rests. Neoliberalism upholds extensive and widespread privatization, followed by comprehensive financial deregulation and trade liberalization. It also supersedes the principles of solidarity and public good with the rules of efficiency and individual freedom. With the creation (and implementation) of an economic model characterized by a complete absence of trade barriers and strictly regulated labour market (with the simultaneous disappearance of social safety nets), the income inequalities became increasingly important, and started to grow continuously. At the same time, the economic inequalities stopped being influenced by traditional factors such as unequal property ownership, limited access to education or lack of health care, and became almost entirely dependent on altered economic policies.

The dramatic increase in inequality has not only economic, but social consequences as well. Among these consequences, one of the most important is certainly the increased conflict potential. However, the way in which inequalities lead to the outbreak of violence may be interpreted differently. In this paper emphasis is put on the theory of relative deprivation which stresses the importance of frustration induced by the variance between the expected and the actual situation. The choice was made based on the author’s belief that this theoretical viewpoint is completely applicable to economic parameters, especially to income inequalities and the subsequent incapability of individuals to achieve the desired level of welfare which creates a strong feeling of deprivation within them. That also coincides with the neoliberal model which (through its activity) continuously widens the discrepancy between these two positions (expected and actual). The additional importance of the theory in question is given by the numerous empirical studies, like those about complex humanitarian emergencies.

By uniting qualitative and quantitative indicators, the relative deprivation theory clearly demonstrates that a dramatic increase in income inequality may generate great discontent in individuals, which, under favourable
conditions, may lead to the outbreak of violence. This is not only the case on the intra-state level, but on the inter-state and regional levels as well. It is because of all this that initial assumptions on economic inequalities as possible generators of violent conflicts are demonstrated, and then conclusively proved.

Recent events are a main indication that the standpoint discussed in this paper is not only theoretical, but practical as well. Over the last few years, several events have occurred which represent an indicator that deep social differences may have wider consequences unless something is done to prevent this trend. The most drastic is the example of Tunisia where an internal conflict emerged which ended with the political transformation of the country. However, despite the importance of democratization processes, what is more significant is the fact that the conflict started because of pronounced economic inequalities, and only after that did it acquire a political character. Similar observations can be made for other countries in Northern Africa. It can be said that in these cases the consequences of the protests and of the conflict overcame the real reasons for people’s discontent, which are of an economic nature. While the final outcome is of great importance for the region it will not be long-lasting unless the deep-rooted causes, at the moment still neglected, are dealt with. In that sense, drastic political changes may prove insufficient unless the same is done in the economic sphere as well.

The protests in Europe and in the United States did not have such drastic consequences, but nevertheless they serve as an indicator that a significant increase in inequality in these parts of the world cannot prevail with the existing economic instruments. Mobilization is especially visible in the U.S. (Occupy Wall Street), United Kingdom (National Union of Students) and Spain (Indignados). And, while in the United States the main incentive for protests is the increased income differentiation, in the other two cases mobilization is enhanced by the dissatisfaction resulting from the increased intergenerational gap. In the current conditions young people do not see opportunities to progress and achieve the economic status available to their parents. The discontent arising from such attitudes is being increasingly transformed into frustration and directed towards state institutions, which are proving to be incapable of resolving these and other similar problems. The problem is even more pronounced in countries
like Iceland (2009) and Greece (2011) where economic hardship brought them to almost a complete collapse of the state apparatus.

Because of the profound economic (and social) crisis and conflict potential posed by the current economic model, the need for new patterns of development is becoming more urgent than ever. But for any change to be successful, it would imply “great transformation” (Polanyi) in all segments of social life. First and foremost, economic policies should, among other things, include increased public spending, a progressive tax scale, a strictly regulated labour market and a defined minimum-maximum wage ratio in the public sector. This would entail growth being accompanied by simultaneous wealth distribution, and not subsequent, which is (or should be) the case now. Following this, political (a shift to equality-based discourse), social (increased social spending and creation of safety social nets) and educational alterations (free and universal education) should occur as well. Finally, for increased human capital to be sustained, accessible health services are a prerequisite which must be obtained. Only by doing all of this can the negative effects of the present model be overcome and problems transcended in a constructive, non-violent way.

The importance of these new policies would lie not only in the efforts to diminish or (if possible) stop current negative indicators, but also in the creation of favourable conditions for the continuous and equal (as much as possible) development of all individuals, regardless of their origin, ethnicity, cultural and linguistic differences and most importantly their financial status. This transformation, if achieved, would imply that solidarity, and not effectiveness, is the new credo of the global (un)equal society. In a world where social polarization is becoming the rule rather than the exception, the change of paradigm is of essential importance.
Bibliography


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Book Reviews
Those of us who are interested in the analysis of anti-war movements in ex-Yugoslavia and in the post-Yugoslav states have waited a long time for a book as good as this. It is even more of a cause for celebration because it comes together with two other books, Neispričana povijest ARK 1991-2011 and We Were Gasping for Air: (Post-)Yugoslav Anti-war Activism and its Legacy. Indeed, all three coming at once remind me of black Marxist historian C. L. R. James’ famous comment on the new wave of black feminist literature in the United States: „One is an accident; two is a coincidence; but three is a movement“. The Croatian language book is a multi-voiced remembering and re-telling of the story of ARK, the Anti-War Campaign, Croatia, and ends with a fascinating academic text by young sociologist Bojan Bilić. The second volume is a revised version of Bilić’s doctoral thesis which is an extra ordinarily well written and comprehensive historical sociology of anti-war contention in, primarily, Croatia and Serbia. As well as tracing anti-war movements to their precursors amongst student activisms in 1968 and after, an emerging Yugoslav feminist movement in the 1970s, and nascent 1980s environmentalist and peace activism, primarily in Slovenia, Bilić’s book breaks with so much of the existing literature on the wars, in at least five different, and interlinked, ways. Firstly, he concentrates not only on political elites but, also on popular, grassroots and marginalised movements often written out of historical texts. Secondly, he challenges methodological nationalism, replacing a single country focus with a more pan-Yugoslav approach and, in examining Croatia and Serbia, he opens a lens on one of the key axes of anti-war activism in the period. Thirdly, he avoids seeing the concept of civil society, usually reduced to newly composed non-governmental organisations, as a kind of magical panacea for democratic deficits, instead seeing donors’ drive to create NGOs as, often part of the problem, rather than its solution. Fourthly, he resists the all too familiar tendency to take ethno-national identifications as natural, prior, and all powerful, preferring instead to explore the constructions of hegemonic nationalist narratives by powerful elites and their unravelling
and contestation in alternative movements. Finally, and not the least important, unlike texts which ignore gender relations completely and the rather fewer which have a sole, or primary, focus on gender, he situates gender in the context of broader social relations and explores women’s organising in the context of re-patriarchalising tendencies.

Resisting the Evil is perhaps the best of the three books, precisely because of its ‘in-between’ status as neither academic thesis nor faithful chronicler of a single movement. Instead, thirteen chapters by a total of fourteen authors, offer diverse perspectives on aspects of anti-war contention much of which has previously been virtually ignored by the mainstream literature. The whole is greater than the sum of its parts, offering a remarkable, multi-layered exploration of interlinked activisms and their relationships to politics, culture and society in the Yugoslav and post-Yugoslav context. The strengths of the book can be grouped into four broad areas.

The first is the fact that the book covers every former Yugoslav republic/post-Yugoslav state including Kosovo. The texts demonstrate perhaps more clearly than ever before the fact that there was an alternative to nationalism and war, through an exploration of the diverse but rich array of movements opposing authoritarian nationalism. Whilst there is no chapter specifically referring to Macedonia alone, Ljubica Spaskovska’s study of UJDI (Udruženje za Jugoslavensku demokratsku inicijativu) is primarily through a Macedonian lens, combined with a focus on Yutel through a mainly Bosnian lens. Discussions of UJDI show clearly the limitations of a largely idealist notion of inscribing pluralist democracy onto existing Yugoslav society, without any discussion of issues of economic and social change. The book has two full chapters on Bosnia-Herzegovina by Larisa Kurtović and Nebojša Šavija-Valha although both are rather Sarajevo-focused. The chapter on Kosovo by Gezim Krasniqi questions orthodox accounts which suggest that Rugova’s LDK was the sole source of resistance to Serbian hegemony before the growth of the KLA. Srđa Pavlović and Milica Dragojević show how the ruling elite in Montenegro have attempted to obliterate their own role in the wars and to marginalise, if not deny, a different history of anti-war activism. Marko Hren’s firsthand account of the Slovenian peace and social movements in the 1980s show how there were many attempts to mobilise international support for a non-nationalist Yugoslavia.
Secondly, the conscious choice of the editors to ‘privilege the local’, producing a book all of whose authors are from the territory of (former-) Yugoslavia works as an ‘authentic decolonising effort ... intimately bound with local engagement and local knowledge production’ (Bilić and Janković, page 27), without ever appearing essentialist. The book becomes a kind of ‘temporary autonomous zone’ freed from a Western gaze and formulation. Many of the texts escape the confines of supposedly ‘objectivist’ academic styles and are infused with activist experiences, sensibilities and standpoints. International actors are not ignored, but are not given primacy. Vesna Janković’s text on international volunteers explores transnational solidarity and argues, persuasively, that the mobilisation of volunteers and their incorporation into local anti-war movements constituted a form of ‘rooted cosmopolitanism’ prefiguring very different ‘local-international’ alliances. Nebojša Šaviha-Valha’s account of peace building in Bosnia and Herzegovina traces the other side of the coin, namely, the ignorant ideas and ill-conceived practices of many external ‘peace engineers’. Lepa Mlađenović’s reflections on lesbian solidarity during the wars speaks to a profound need to explore the intersectionality of oppression.

Thirdly, the book lives with its contradictions and, indeed, celebrates the diversity of styles, voices, theories and methods being used. Some of the chapters are outstandingly good. The editors’ auto-ethnographic introduction tells us much about the way the book was compiled and how the editors came to develop a sense of a different kind of book from one originally imagined. Biljana Kasić’s text combines feminist and post-colonial theory with a deep reflection on the personal, cultural and political meanings of resistance in wartime. Zala Volčić and Mojca Planšak’s exploration of alternative radio stations in Macedonia, Slovenia and Serbia, as well as Bojan Bilić’s exploration of Arkzin and Republika, emphasise the importance of the cultural dimension of anti-war contention. Kurtović discusses the Sarajevo scene including Radio Zid, the underground music scene and the creative artists Grupa Trio, suggesting that, in such extreme conditions, seeing such initiatives through the tropes of ‘NGOs’, ‘social movements’ or, even, ‘anti-war activism’ is far too limited. Her discussion of the traumas of peace and the limitations of self-definitions as ‘urban’, ‘cosmopolitan’ and ‘European’ have a wider resonance in the post-Yugoslav space, of course. Bojan Aleksov’s text on conscientious objection, arguably the best in the book, reminds me of Audre Lorde’s statement that «every line I write shrieks there are no easy solutions» (Lorde, 1984:78). It is clear that the author is on unfamiliar territory, writing a profoundly autobiographical,
reflexive, and emotional text which, in its moving between levels of abstraction and, above all, in refusing to reproduce politically correct interpretations, captures brilliantly both the empowering nature of activist engagement and the limits to dialogue in conflict.

Linked to this, the fourth key element is the move from judging activism as ‘effective’ or not, to a focus on the ‘affective’ dimensions of anti-war contention. Here, activism becomes part of what Judith Butler has termed «a sustaining web of relations» which, indeed, «makes our lives possible» (Butler, 2000: 24). The book shows the impossibility of maintaining a clear divide between ‘the public’ and ‘the private’ when life itself is at stake, without forgetting the deep intimacies and antagonisms which are produced and reproduced in such emotionally-charged environments.

The book has set a marker for more research on and by activists in the post-Yugoslav space, building on the many collaborations, some obvious, others less so (such as the use in Kurtović’s text of interview material gathered by Bilić). Future work may link this moment with the study of later waves of activisms. If there is one reservation about the book it is the relative failure to connect the study of this anti-war activism with a small, but important, literature on the ethnography of everyday life in wartime and the more mundane or less fully articulated resistances which can be found in a number of sites, including football stadia, in the period. As a result, the tendency is to see the anti-war activism of the period as somehow disconnected from, and even superior to, wider resistances, recalcitrances and survival strategies. The danger in this is that the book may contribute to an impression that ‘the (nationalist, authoritarian) other’, presented as ‘the evil’ in the title, was more homogeneous and, perhaps, even, more powerful than was actually the case.

Paul Stubbs

References


This edited book is the second publication of the Nordicom (Nordic Information Centre for Media and Communication Research) project entitled Public Service Media from a Nordic Horizon: Politics, Markets, Programming and Users. The project is a part of the globalization strategy of the Nordic ministers of culture called “The Creative North”. In this book, edited by the director of Nordicom Ulla Carlsson, fourteen authors in nine chapters discuss various issues of public service media (PSM) in Denmark, Finland, Iceland, Norway and Sweden. These issues include: contemporary challenges to public service broadcasting (PSB), institutional regulatory settings, financing models, transnational cooperative strategies, children’s programming, cultural diversity issues and European Union regulation challenges.

In the introductory chapter Christian S. Nissen gives an overview of the specificities of the Nordic political and social context, and explains the international influences on PSM. All Nordic countries are affluent societies with well developed welfare states; there is political consensus about basic political issues; there is also a high level of cultural homogenization between the countries; and there is a high level of societal trust in democratic institutions. Non-interference in PSM editorial activity is a socially acknowledged norm, and the public service ideal and remit are broadly supported. Due to the fact that the media markets in individual countries are small, there is also a high level of programme exchange, as well as cooperation on co-productions. However, tackling specific global challenges is also an ongoing task for Nordic media policies and regulations, especially in the context of structural and content production aspects. A significant influence comes from the Anglo-Saxon media production and from the European Union regarding market competition and state aid rules. As the author concludes, general relationships and dependencies between politics and the media might be similar to other

countries, but are probably more discrete and subtle in Nordic countries due to high levels of transparency and developed political culture (15).

Taisto Hujanen, Lennart Weibull and Eva Harrie analyze the PSM contents and audiences in the following chapter. They focus on the consequences of radio and television broadcasting privatization and the expansion of satellite and cable television networks starting from the 1990s. Although experiencing a slight drop in daily audience reach and share in this new structural context, public service companies have kept their focus on news, current affairs, and culture (25) and have reacted to increased audience competition by creating new specialized channels. Since domestic drama and children’s programmes are often too expensive to produce for commercial broadcasters, they have remained the key public service programmes (28). In the context of radio there is a similar development with news and current affairs remaining the main programme orientations alongside drama, culture, and entertainment. The authors interpret this relative stability of audience shares and programme schemes as a result of high levels of trust the citizens have in the PSM and its role for the Nordic civil culture (44).

The ensuing chapter by Anker Brink Lund and Gregory Ferrell Lowe looks at the challenges facing PSBs in the Nordic countries, especially regarding their role in what are essentially small market populations. The authors argue that the PSB is an institution in a double sense: first, as an organization in the public sector; second, as an ethos and orientation towards certain values. The problem arises when increased competition threatens to trump its public service ethos (53). This is emphasized in small markets where the production costs are higher per capita, since there are fewer people to share the cost. The authors believe there are three possible directions for PSB to take in the multimedia and highly competitive market: commercializing, purifying or diversifying (67). However they also state that there are no safe routes in this context: “[i]f PSB companies strive too hard for breath, they risk being perceived as commercial and may lose their legitimacy. If they aim to be too narrow, however, they will be marginalized and lose their legitimacy for that reason. If PSB companies are quick to experiment with new technologies, they risk putting scarce resources on the wrong horse…” (70). The only certainty is that they must retain high quality programmes and services in all of the previous scenarios.
The next chapter by Hallvard Moe and Ole J. Mjøs focuses on the arm’s length principle of the Nordic PSB regulation. This principle is set-up in different ways, particularly in relation to the running, supervision and funding of public broadcasters. The most vulnerable part, the authors claim, is the funding because the amount of the license fee, and its use, can be susceptible to political power. The independence of public broadcasting is therefore a matter of constant controversy which needs to be scrutinized at all times. The arm’s length principle can be used as a guide and an ideal when assessing the regulation of media institutions (89).

The issue of public service financing is the topic of the ensuing chapter by Lars-Åke Engblom. Although traditionally based on license fees and ownership of radio and TV receiver, economic and technological changes are being felt in the PSM financing area as well. Financing systems in the Nordic countries are stable, but differ somewhat in their execution and setup across the countries. Denmark, Norway and Sweden are financed through a license fee, Iceland through a fixed tax since 2009, and Finland through a progressive tax since 2013. The Finish system is income-based, personal and earmarked tax, and has been in preparation since 2008. The new system was introduced because the citizens were disappointed with the digital switchover, and had refused to pay the license fee in protest. The author believes that the Finish case shows a certain alienation from the concept of public service (102). The Icelandic case of the introduction of fixed tax meant that the Finance Minister diverted a part of the PSB tax to public treasury. This meant a 20% drop in budget for the PSB and consequently staff cuts for the PSB organization. However, legal amendments have been announced in recent policy discussion which should abolish the possibility of diverting the collected tax to other areas except for the PSB and the fulfilment of its remit.

In the following chapter, Henrik Hartmann presents the work of Nordvision – a platform for working on co-productions, programme exchanges and general sharing of information and experiences in the region since 1959. This cooperation has recently been strengthened by the digitalization process and the creation of digital archives with a common distribution system between the countries. Co-production mainly involves children’s programs, fiction, factual/culture programmes, education and investigative journalism.
Gunn Sara Enli and Elisabeth Staksrud give an overview of the children’s programming in the public service broadcasters in the next chapter. The authors present different stages of the development of children’s programming. The period between 1960 and 1980 was marked by clear pedagogical goals and a strong educational ethos. The following period between 1980 and 2000 was marked by entertainment and commercialisation due to the de-regulation of TV markets. The final phase between 2000 and 2010 is shaped by globalisation and the rise of specialized niche channels. The PSB’s response was to focus on national culture and original productions - an aspect not covered by the commercial programmes. It also focuses on supporting democracy and the development of the public sphere by giving children the opportunities to reflect on current affairs. They have also focused their attention on the internet in order to provide appropriate content for children in the new media environment.

Cultural diversity is another important issue for the PSM, and is covered by Ingegerd Rydin in the following chapter. Although most offer some sort of programming for minorities and immigrants, the authors point out there is a general lack of data and research in this area. In the context of increased competition from commercial broadcasters, and the turn to national issues as a programming strategy for the PSM, minorities sometimes feel excluded from representation in Nordic societies. One possible strategy for diasporic groups in the contemporary, and global, media environment is the combination of diverse media products into a unique experience, where the PSB, internet media, and online communities are combined to create a personalized experience.

The final chapter by Henrik Selin looks at the European Union influences. He focuses closely on media distribution, media content, copyright in the information society, state aid regulation, and the EU 2020 digital agenda. Although the EU influence is significant, it also leaves a high degree of freedom to national regulators. The EU mostly gives recommendations, conclusions, resolutions or other forms of soft regulation in the media policy field. The author particularly emphasizes the fact that the definition of the public service remit, and its fulfilment, are left in the hands of national legislation. When it comes to structural issues of state aid, he concludes that the balance between the market and public interests is something that should be kept under close scrutiny at all times, regardless of EU influence.
This book is well organized and edited with a logical and easy-to-follow chapter sequence. In a succinct and clear way it provides an overview of the complexities of the public service media in contemporary Nordic societies. This is not an easy task since the book compares five countries with different institutional setups. Nonetheless, all of the countries face the same challenges of small media markets pressured by globalization, European legislation and technological changes. Apart from their stable socio-political systems, a further specificity of the Nordic countries is the high level of cooperation between the public service media, and stable political cultures where the public service ethos is perceived as its vital part.

Paško Bilić

This book was published in edition of William P. Kiehl, former executive director and the current treasurer of the Public Diplomacy Council, who captured several case studies in contemporary American public diplomacy. These studies were presented in November 2011 at the public forum jointly organised by the Public Diplomacy Council, Walter Roberts Foundation and George Washington University’s Institute for Public Diplomacy and Global Communications. The title of the book is self-explanatory: although it derived from the forum’s title (“The Last Three Feet: New Media, New Approaches, and New Challenges for American Public Diplomacy”), its basic idea is inspired by the famous declaration of Edward R. Murrow, the first director of the United States Information Agency, who – back in 1962 - stated that “the real art” in public diplomacy “is to move it the last three feet in face-to-face conversation”. The book was published not only with a view to explain how American public diplomacy functions abroad, taking into consideration the input of social media to the global communication environment, but also to “fill the gap” in the ever-growing public diplomacy literature, which is – according to book’s editor – “lacking on written contributions by active professionals in public diplomacy”. The book encompasses ten chapters.

In the first chapter William P. Kiehl introduces the subject, indicating that within the ever-growing literature in the area of public diplomacy there is “a paltry representation” of case studies from abroad, which could provide information on public diplomacy actions written by very diplomats and public diplomacy professionals. He points out that the experiences on the ground (field operations), as not sufficient known and not well-understood aspect of public diplomacy, should be brought to public attention. According to editor, the book helps to raise “greater public awareness and interest” in this specific aspect of American foreign policy.

The second chapter, entitled “How I came to love the Shanghai Expo” represents the first case-study in the row. It explains why the Shanghai...
Expo 2010 was not only a major event but also “an expo of necessity” for the United States. Beatrice Camp, the author of this story, argues that the post-Cold War disinterest in cultural diplomacy and Congress’ refusal to provide appropriate funding created huge obstacles for USA to be present at word’s major fairs. Yet, as it was not possible to ignore the Chinese invitation and the pull of public diplomacy opportunities, the organisation of the Expo relied on private funds rather than depend on a government bureaucracy, which enabled exemplary presentation of American culture and values to the Chinese people. The Shanghai Expo proved successful as it attracted 7.3 million visitors on the ground, enabling them an insightful face-to-face encounter with the United States. Consequently, the valuable experience and lessons learned in Shanghai inspired USA administration to put forward initiatives for further major fairs in Yeosu, Korea (2012) and Milan, Italy (2015).

Within the third chapter Rachel Graaf Leslie presents the experience of the US Embassy in Bahrain, whose main activities in public relations were intensively focused on proactive engagement towards the press during the social unrest in 2011. The author points out how important was for the Embassy staff to timely recognize the change of media climate in Bahrain, in order to adapt its public diplomacy strategy on the ground. After the various traditional media editorials insinuated that the USA was behind the unrest, and the Embassy was blamed for providing “politicized reports” and accused of “interference” in Bahraini political affairs, the Embassy had no other choice but to turn to digital and social media, which proved to be adequate tools for dissemination of unedited versions of U.S. statements, and facilitating communication with domestic audience.

The following, forth chapter, deals with the “recapturing the narrative in Turkey”. Elisabeth McKay explains that the US diplomacy, being aware of the negative perceptions of the United States within the Turkish public opinion, which emerged during the crisis in Iraq, launched in 2006 the program for young entrepreneurs, whose focus has been on teaching students on basics of entrepreneurship. It was also aimed at encouraging young people to design and implement their own projects. The U.S. Embassy in Ankara has carefully monitored the overall impact of programs through analyzing the feedback in the media and social networks. It turned out that the program has significantly helped to create a positive image of the United States as “a good partner and associate.”
The fifth chapter, entitled “The story of ‘@America'” (by Michael H. Anderson), deals with difficulties that public diplomacy officers had to overcome in performing their duties since the closure of American cultural centres for security reasons, due to budgetary cuts and changes in communication environment in late 1990s. In the post-9/11 environment the public diplomacy outreach efforts became even more difficult and the official U.S. premises were perceived as “isolated, unwelcoming” and “fortress-like”. Following more than one decade of neglect, the issue of “public diplomacy space” was re-examined. As a consequence, the Embassy in Jakarta conceived a public diplomacy pilot project “@ America”, launched in 2010 as the first high-tech American cultural centre within the Jakarta’s biggest commercial mall space.

The following case study presented within the sixth chapter by Jean Manes highlights the Youth Ambassador Program in Brazil as a State Department’s best practice and example how to successfully put together the whole “package” of public diplomacy activities in a host country. Encompassing exchanges of students, media, partnerships with the private sector and local governments countrywide, educational advising services, language teaching centres etc., this Program proved to be indispensible for establishing longstanding partnerships and significantly improved U.S. – Brazil relations.

The seventh chapter deals with experiences of American diplomats in Baghdad, who intensively utilised social networks such as Facebook, Twitter and YouTube in order to show a “human face” of the American presence in Iraq towards the very sceptical domestic public opinion. The information and stories about various social and other issues of importance to American and Iraqi citizens were firstly communicated in English and subsequently also in Arabic, which proved to be a crucial step forwards, as it spurred users of social networks on a daily, engaged interaction with American diplomats. These efforts gradually attracted ever more attention of public opinion, which became more responsive and co-operative, so the Facebook site of the American Embassy in Baghdad has been eventually considered as “the place for a truly democratic dialogue.”

The specificities of the American public diplomacy in Pakistan have been presented by Walter Douglas within the book’s eighth chapter. It looks at
improvements made by the American Embassy in Islamabad with the view to better understand what was important to Pakistani citizens. Realising that the English-language media in Pakistan has been misleading as its coverage reflected rather an outside-looking viewpoint and not necessarily the stance of Pakistani people, the Embassy staff invested much more efforts into analyzing the media in national Urdu language, especially the television broadcasts that reached huge Pakistani audiences. It proved to be instrumental for drafting more accurate reports for US government officials and insightful in terms of identifying wider political implications of media stories for the U.S.-Pakistani relationship.

The following chapter, whose author is Bruce Wharton, deals with necessary requirements and capabilities of successful public diplomacy officers in the future. According to Wharton, apart from key management, communications and interpersonal skills, diplomats engaged in public diplomacy activities need not only to have ability to attentively listen and learn from people in the host country, but also to apply the gathered information in shaping public diplomacy programs. Moreover, he refers to “new abilities” such as creating social partnerships, including through the effective use of technology and social media, persistence, “insatiable curiosity” and willingness to identify the expectations of targeted audiences.

Finally, within the chapter 10, William P. Kiehl draws conclusions on possible lessons learned from the foregoing case studies. He points out that successful public diplomacy programs should be based on common interests between the USA and the host country, and that rest on local resources, which often accompany those from Washington headquarters. Arguing that the Embassies and Consulates (in particular locally employed staff) are more knowledgeable to drive the process of public diplomacy than the “massive bureaucracy in Washington”, especially in terms of targeted allocation of available financial resources from headquarters, Kiehl concludes that the key for success in public diplomacy campaigns lies in very combination of “locally resourced, filed-driven and commonality-focused programs, with a minimum of interference from headquarters”.

The rest of the book represents the review of interviews with Public Diplomacy officers and envoys worldwide, who elaborated on their
experiences, major challenges and impacts of their daily-based engagement in public diplomacy programs.

In sum, the book provides the reader with an insight into the basic features of U.S. public diplomacy. Although presented case studies significantly differ one from another, they all illustrate how indispensable the interaction and reliable personal contacts may be for the overall success of one country’s public diplomacy. Recognizing the benefits and opportunities of new technologies and social media as a platform for the promotion of national interests, it reviews to what extent U.S. administration pragmatically approaches to shaping of its public diplomacy, carefully selecting communication tools, which diplomats utilise in performing their daily tasks. The book can be highly recommended as a valuable source of information and guidance to both governmental and nongovernmental communication experts. Likewise, it could prove instrumental for practitioners in public, economic and cultural diplomacy as an inexhaustible source of inspiration.

Lada Glavaš Kovačić
"The Politics of reconciliation in multicultural societies", Will Kymlicka and Bashir Bashir

Bashir Bashir, a research fellow at the Department of Political Science at the Hebrew University and The Van Leer Jerusalem Institute, and Will Kymlicka, established author and Canada Research Chair in Political Philosophy at Queen’s University, are the editors of the volume The Politics of Reconciliation in Multicultural Societies. The volume addresses various perspectives of multicultural processes. It brings together various experts from different theories, and also geographical origins.

In the introduction Bashir Bashir and Will Kymlicka address the need to overcome the problem of continuing practices and ideologies that do not acknowledge equal rights to all people, regardless of racial, ethnic or religious background. They focus on “politics of reconciliation” which were introduced to international discourse with the establishment of Truth and Reconciliation Commissions in the post-Apartheid period in South Africa.

The politics of reconciliation are very important in two different contexts. One is the context of transition countries where the key normative of reconciliation is transitional justice. The second important context represents the rise of the politics of difference. This rise happened recently in the established Western democracies as a result of the traditional majority model of democracy. For example, apart from Truth and Reconciliation Commissions in transitional South Africa, the case that represents the transitional reconciliation, the editor also presents the case of Canada, an established western democracy aiming at a more inclusive and deliberate democracy. To achieve this goal Canada is using the reconciliation process in the dialogue with the indigenous peoples.

The key question that Kymlicka and Bashir ask is: after we, at least formally, eliminate formal discrimination, what else can be done to create genuinely inclusive democracies? In answering this question they admit that both situations described in the previous paragraph (reconciliation

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in transition countries and in established western democracies) are being implemented on the ground. However, they do miss serious academic discourse. Attention should be brought upon the concepts alone, and on the notion of their overlap. This volume aims at bridging this gap of academic discussion about these two concepts. The authors explore how normative and conceptual premises invoked by theories of reconciliation in divided societies relate on a philosophical level to those invoked by theories of inclusive citizenship in diverse societies.

At the empirical level this volume addresses the question of how the actual practice of reconciliation and reparation affects the deliberative and agonistic character of politics or the pursuit of a more multicultural conception of citizenship. It also provides some thoughts about the conditions needed for the politics of reconciliation to support politics of deliberation and multiculturalism.

Jonathan Van Antwerpen focuses on the discourse of the definition of “reconciliation” in South African case of the Truth and Reconciliation Commissions (TRC). In the process of South-African TRC he focuses on the concept that defined the reconciliation process. As the process of reconciliation was led by the Archbishop Tutu, it was defined on the basis of Christian narrative of individual forgiveness. Reconciliation was carried out intensely in the theological interpretation followed by liberal re-statement. One of the harshest criticisms of the forgiveness narrative of the reconciliation process, raised especially by the human rights groups, was issued against amnesty in exchange for testifying which was awarded to the perpetrators.

As Van Antwerpen agrees with the Thompson and Gutman’s criticisms of the reconciliation concept, he does acknowledge that in the immediate period after the fall of apartheid system in South Africa, the conceivers of the TRC project tried their best to reconcile severely divided society. He also adds that the TRC project in South Africa opened the academic discourse about the reconciliation. As every new project this one was also criticized on different levels. However, in all critiques it was claimed that reconciliation as a concept should not be changed, only re-defined in a liberal, more political way, instead of being used within the theological narrative. Despite the religious and secular distinction, which proved
to be a very difficult task, they were able to reach a widely accepted consensus about the secularization of the reconciliation which was also the original aim of the critiques.

Bashir Bashir discusses the relation between reconciliation and deliberative democracy. In his opinion the concept of deliberative democracy is in a sense weak when it comes to confronting historical injustices. Therefore, it would have to include the politics of reconciliation.

Bashir addresses the responds to the growing multicultural diversity. The groups that went through a long and systematic oppression demand a different treatment than just democratic inclusion based on the system “one person, one vote” offered by deliberate democracy. In order for the effects of deliberate democracy to take place, the recognition and restorative justice process needs to be implemented. Reconciliation should therefore be seen as a precondition to deliberate democracy and not as an effect of it. He also accepts Young’s general characterization of historical injustice which is links together five varieties of oppression: exploitation, marginalization, powerlessness, cultural imperialism, and violence. Focusing on the last two varieties, he claims that reconciliation must be done on a group basis and on the basis of acknowledging and remedying historical injustices.

For Bashir reconciliation is not a universal tool for healing historical injustices which have been inflicted on the oppressed groups. It is merely a guiding principle which should be adapted to each case individually with emphasis on the historical dimension, acknowledgement, responsibility, and apology. It also has to include deliberate actions following symbolic gestures of apology.

In his chapter Nadim N. Rouhana argues that democratic citizenship in the divided society is not possible without the process of reconciliation. According to his suggestion in the article, democratic citizenship can be achieved through reconsideration of historical injustices. He focuses on the process of constitution building which was presented to be built by a consensus. Indeed, the process was supposed to be guided by the principles of deliberative democracy. However, historical injustices were insufficiently and inaccurately recognized. The mistaken recognition of the past is described as “historical denial".
In the case of Israel he argues that politics of recognition are not enough for a multicultural citizenship. Instead the politics of recognition need to be carried out with a hard emphasis on the recognition of historic truths and responsibilities, and overcoming of historical denial.

The chapters by Lawrie Balfour and Paul Muldoon address the connection between the agonistic conception of democracy and the reconciliation process. As Balfour focuses on slavery, Muldoon builds his article on colonialism. Both articles are built on the fact that reconciliation processes aim at the restoration of the previous state of harmony.

However, because of the fact that in slavery and colonialism the previous state of harmony does not exist, reconciliation must be readjusted in a more transformative way. In the context of contemporary movement for reparations for slavery in the United States, Balfour suggests that the reconciliation should rise above one-time payment or symbolic apology to the black community. Instead, it should address the deeper roots of American racism. The agonistic approach, which defines the features of political life as a contest or a struggle, is seen as a tool.

The main object of the reconciliation process which contains the transformative, rather than the restorative, narrative is the option to create an environment for new identities. As agonistic theorists presume that identities are unstable, contestable and therefore unsuitable as a basis for policy making, Balfour adds that the long history of exclusion shaped the identity of the African American community which can be treated as a basis for democratic policy of reconciliation.

Muldoon examines two perspectives of reconciliation in colonial oppressed societies. He calls one the "perspective of society" and the other the "perspective of war." The perspective of society has more of a restorative nature and tends to bring the society to the relations and the level which it had before the war. Perspective of war on the other hand actually renegotiates the patterns existing before the conflict and questions if the reconciliation process is not just another use of power.

Muldoon claims that both perspectives are unsatisfactory since they narrow down understandings of the current reality and the future
possibilities. The agonistic model is suggested as an alternative. It would overcome the problems of restorative reconciliation and avoid conflict in order to question existing patterns. However, he does not accept Mouffe’s agonistic model in whole. Muldoon’s suggestion is that the model should be further radicalized. He concludes that reconciliation in colonial societies must allow for the contestation of the meaning of agonistic democracy. He admits that to avoid war some rules have to be set. However, the rules have to be contested by participating parties and who should not be sanctioned for their actions.

Sonali Thakkar builds her article on the case of an exhibition “Into the Heart of Africa” at the Royal Ontario Museum. This exhibition is an example of failure in multicultural discourse which should acknowledge and address historical injustices. The exhibition raised many negative responses with its projection of the Canadian colonization in Africa.

The exhibition was setup by Jeanne Cannizzo, who took a daring approach and accompanied the artifacts with stereotyped descriptions. As this daring move was made deliberately in order to raise colonization awareness, other crucial mistakes were also made. As the entire exhibition consisted of artifacts mostly donated or loaned by Canadian collectors who were members of the army the content was displayed without deep anthropological research. One of the crucial mistakes was also the complete ignorance of the African community in Toronto. The community was only notified of the opening of the exhibition and not included in any of the previous steps.

To sum up, instead of anthropological research and presentation of African culture, culture was presented from the perspective of Canadian colonizers. Multicultural citizenship and multicultural society requires public institutions to celebrate diversity and pay special care to cultural history. This exhibition definitely lacked the dialogue perspective of multiculturalism and consequently presented an imperialistic view of the suppressed cultures of Africa. The exhibition had therefore the exact opposite effect for the multicultural perspective in Canada.

Mark Walters addresses the position of the concept of reconciliation within law theory. The process of reconciliation is considered more of a
political process then a legal one. The political classification allows the process to achieve goals such as forgiveness, healing, truth-telling. These goals cannot be achieved in a strictly legal process. In fact, in some cases the rule of law is actually sacrificed for the sake of revealing the actions and truth. This process was questioned the most during South African Truth and Reconciliation Commissions where perpetrators were given amnesty for their willingness to cooperate in revealing injustices.

Walters focuses on the Canadian process of reconciliation with indigenous peoples. He explains that the Canadians have fashioned a constitutionally sanctioned and court-driven jurisprudence of reconciliation. He examines recent court cases and concludes that the reconciliation process must also include reconciliation of the legal cultures in order to secure legality. However, in Canada, despite the fact that the reconciliation process was promised to be a relationship between both legal traditions, the promises are for now unfulfilled. It seems that the indigenous peoples must reconcile them with the judicial rules of the majority without any consideration for their own legality. Nonetheless, Walters insists that a jurisprudence of reconciliation is a neglected component of reconciliation process and should be further addressed and discussed.

Ruth Rubio-Marín further explores the transformative potential of judicial reparations of the reconciliation process. Judicial reparations in the process of reconciliation were intended mainly for individuals. The intention was to for the victims to be allowed to return to the status quo and also to receive some compensation for the injustice which was caused them.

The author describes the shift from individually-based to group reparations. The process is marked by a tendency to recognize the group-based nature of rights violations. As good as the intention of the group reparations sounds, it also presents some dilemmas. The dilemma is illustrated in a cases of groups or gender-specific violence, namely violence against women. The process of reparation and restorative justice for the crimes that were committed against women because they are women challenges the process of restorative reconciliation.

If the status of women before the conflict was degrading the process of reconciliation with the restorative goal must question its purpose of
returning to the previous state of hierarchy or order. Here the transformative role of reconciliation can be manifested in order to redefine the traditional roles. However, to project the characteristics of inclusive citizenship with the intention of defining the role of women according to liberal Western perception would also be wrong. The women, the author argues, must be included in the process of a restorative, however transformative, reconciliation along with their perception of the crimes and with special care toward the perception of their role in society. What Rubio-Marin especially emphasizes is that in cases where the victims’ perception of reconciliation predicts a continuous traditional role in society, it must not be ignored. It must be taken into the consideration within the process of reconciliation and its final effect.

The volume presents an overview of the process of reconciliation and some of the issues relating to the topic. Reconciliation is not presented as one dimensional, but through cross-disciplinary perspectives and various case studies around the world. However, due to its cross-disciplinary approach and geographical distribution of case studies, the volume requires previous knowledge of the subject as it does not focus on describing the process and concept in its basics. Overall, the book presents good reading material for any student or scholar working in political science, peace and conflict studies, ethnic studies and similar fields.

Renata Ribežl
The book “Ideas, Interests and Foreign Aid” of A. Maurits Van der Veen is the 120th title published in the Cambridge Studies in International Relations series. The series, edited by Christian Reus-Smit and Nicholas J. Wheeler, represents a joint endeavor by Cambridge University Press and the British International Studies Association (BISA). The author is a Dutch researcher who received his MA degree in computer science at Stanford and his PhD in government studies at Harvard. He is currently assistant professor at the Government Department, College of William & Mary in Virginia. Van der Veen’s research interests include European integration, humanitarianism, human rights and identity politics.

The book opens with the question “Why do countries give foreign aid?” and a quote from Rudyard Kipling’s famous poem “The White Man’s Burden,” which addresses the issue of imperialism and colonialism from a perspective of Western (supposedly) noble obligation to bring civilization and reduce poverty in the colonized countries. Departing from this polemic overture, Van der Veen points out that every developed industrial nation has a program of foreign aid which is officially aimed at economic development and poverty reduction in poor countries, yet researchers have so far been unable to give satisfactory explanation about the specific reasons why donor countries increase or reduce financial transfers to recipient countries at a given point in time. Due to the fact that foreign aid can have a multitude of uses and purposes for a country’s foreign policy, the author compares foreign aid to a Swiss knife. The argument he makes is that ideas (as implied in the title of the book) govern and direct decisions on foreign aid and shape its role in long-term foreign policies. In his critical analysis of current literature on foreign aid, Van der Veen argues that researchers have so far failed to look at all aspects and possible reasons for foreign aid, as well as at the close link between foreign aid and creation of foreign policy. In his answer to

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2 [http://www.wm.edu/as/government/faculty/directory/vanderveen_m.php](http://www.wm.edu/as/government/faculty/directory/vanderveen_m.php)
the introductory question, the author analyzes four cases (Belgium, Italy, Norway and the Netherlands) in a time frame of 50 years, from 1950 to 2000. He chose this period because official aid statistics begin with 1950, while 2000 was the year when the Millennium Development Goals were adopted by the United Nations. Also, the author explains that through his choice of cases he wanted to increase variation among cases, while at the same time controlling potential intervening variables.

In the second chapter the author asks why countries with a similar structural background make very different foreign policy choices which are, in turn, linked with different approaches to foreign aid. Further, Van der Veen states that it is generally assumed that foreign policy is shaped by rational actors and refers to three fundamental variables – actors, the preferences held by these actors and the constraints which shape the maneuvering space for the fulfillment of their preferences. The author then shows the different emphases major theoretical schools of international relations have placed on these three variables. According to neorealism, the preferences of states as the only important actors are completely determined by the constraints placed on them by the anarchical nature of the international system. Liberalism argues that preferences are shaped by choices made through interactions or by sub-state actors within a society and the state itself, while the international constraints are less important for choices of foreign policy. Yet, Van der Veen points out that both the realist and the liberal approaches see preferences as stable and predominantly view them as material categories, such as power, wealth and security. Therefore, he introduces a third approach – the constructivist approach – which takes into account beliefs and perceptions that can change over time in a given society and therefore profoundly impact its choice of foreign policy. The author further states that key values of national identity influence foreign policy. He introduces the concept of frames which organizes pieces of information and gives rise to a specific national discourse around which foreign policy is built. When applied to foreign aid frames can be divided in seven categories – security, power, wealth, indirect self-interest, prestige, obligation and humanitarianism. For each of the categories Van der Veen offers distinct hypotheses – for example, a security-oriented frame should be correlated with high military expenditure, while donor states that seek prestige try to surpass the international quality standards for aid in order to stand out among their peer nations.
Chapter 3 presents a debate on the content of aid and its patterns of distribution. In this chapter the author presents the methodology used for measurement of different frames which dominate foreign aid in Belgium, Italy, Norway and the Netherlands. The main source of information about frames used for decision-making and policy shaping are parliamentary debates on development assistance. Van der Veen codes these debates using content analysis, rather than discourse analysis. The author also claims that the information about the importance of specific frames used in debates on foreign aid in the four cases can be used to make predictions about future foreign aid patterns in these countries.

In Chapter 4, the author explores the reasons for differences in frame strength (as seen in the previous chapter). First, he shows how the four countries developed their initial positions on foreign aid just after the experience of World War II and the beginning of the process of decolonization. Then the author depicts the consolidation of foreign aid policies in 1960s and 1970s and finally analyzes the discourse on aid in the 1980s and 1990s.

Chapter 5 focuses on aid administration and the quality of implementation of aid policies. The author places emphasis on historic development and change of aid administration. Further, when examining aid quality Van der Veen looks at two aspects – tied aid and multilateral aid. Tied aid means that the recipient country has to buy products from the donor country in order to receive aid. This largely increases costs for the recipient country. Aid channeled through multilateral organizations is considered of higher quality because it is less influenced by concealed motives of the individual donor country.

In the sixth chapter Van der Veen focuses on aid volume and the competition between donor countries regarding amount of aid expenditures. He points out that aid levels of OECD countries have shown great variations over time, measured as percentage of GNP. The author shows that international comparisons of aid levels have great influence on aid policies because countries feel compelled to keep up with their peers. In the four cases studies the author shows that Belgian aid was kept around OECD averages and was often used to correct imbalances in other government departments; Italians had low levels of aid expenditures, yet
did not want to be “embarrassed” on the international level; the Dutch managed to set new international standards and therefore gained a good reputation; the Norwegians focused on matching and outperforming other Western nations.

In Chapter 7 the choice of recipient countries is discussed. This is especially interesting when aid funds of a donor country are spread among many recipient countries. The author shows geographic patterns of aid flows which reflect specific frames which govern foreign aid policy, such as post-colonial obligations in the Belgian case and the wish to gain reputation and a leading position in humanitarianism in the Norwegian case.

In the final, eighth chapter Van der Veen points out that foreign aid policies are a result of multiple goals, motivations, interests and values which collectively contribute to perceived national interests of donor countries and change over time in response to internal and external political, economic and cultural impulses. The author also shows that frames can be a useful tool of analysis not just for foreign aid, but also for other policy areas, both regarding foreign policy and domestic issues. The appendix to the book includes three parts – an explanation of codes used to categorize parliamentary debates, some quotes of parliamentary debates on aid which further exemplify the coding of frames, as well as an overview of datasets on aid flows, based chiefly on the OECD’s Development Assistance Committee (DAC).

This book is a great source of information on various aspects of foreign aid and its relation to broader foreign policy. It is also a very good example of a longitudinal comparative analysis of a few cases along the Most Similar Systems Design (MSSD) of comparative politics. Van der Veen’s book can be recommended to researchers interested in foreign policy, foreign aid, humanitarianism and international development studies, but also to those academics seeking to further their knowledge on innovative methodology and research designs.

Iva Kornfein
Myths, Lies and Oil Wars\textsuperscript{1}, Engdahl, F. William

The book Myths, Lies and Oil Wars can be considered as an interesting one in which the author presents a theory through which he analyzes the correlation between oil issues and conflicts which happened in last hundred years. From the beginning, the mentioned theory deals with the explanation of causes of numerous conflicts and relations between the Western countries and Arabic ones, as well as the background of Western political interest related to the oil deposits in the world. Therefore, in the introduction the author touches upon the crusades which he interconnects with the recent conflicts in Arabic countries. From his point of view, crusades as well as conflicts in Arabic countries were initialized by the Western countries for the purpose of establishment of the control over the “Asian spices” at first and later over the oil. To confirm his theory, the author uses numerous sources, such as statement of Henry Kissinger\textsuperscript{2} which says “Control the oil and you will control whole countries”\textsuperscript{3} and which is used as a starting point in author’s explanation of American interests in the oil world.

The first chapter analyzes the period during the First and Second World War and it explains the reason of German failure in the most important battles of both wars. During that time Germany did not possess a large number of oil deposits which would ensure enough fuel for its armed forces and from the author’s point of view that fact was the main reason why Germany was defeated in two world wars.

The second chapter focuses on USA and its role in the world order. The USA has always had a significant influence on the world politics and its position in world order was never doubtful. Since oil became the world’s most important source of energy, American primary goal was to establish the control over the world’s oil deposits. From author’s point of view, American policy was successful considering the fact that on one hand it was orientated on denying access to oil deposits to its enemies, while on the other hand ensuring that it had enough oil stocks for achieving its

\textsuperscript{1} Zagreb: Profil, 2012. 304 pp ISBN 978-3-9813263-6-9
\textsuperscript{2} In 70’s Henry Kissinger was Minister of Foreign Affairs in the administration of President Richard Nixon.
\textsuperscript{3} Engdahl, F. William: Myths, Lies and Oil Wars, Zagreb, Profil, 2012, p. 14
intents. This chapter also covers the period of Rockefeller’s success and their role in changing the American economy in whole.

The third chapter describes the role of Rockefellers’ in the American economy during the ‘50 of the last century. Their oil company which consisted of three biggest oil companies at that time enabled them to become influential in politics as well. The author connects them with both political parties in USA, Democrats and Republicans, with CIA and with the biggest American universities. To ensure the main role in oil world, Rockefellers’ initialized the creation of theory related to the oil origin. Hubbert’s theory and project of young Russian immigrant Leontief backed up the theory that oil deposits are limited considering the fact that oil is produced from fossil remains of dinosaurs. Abovementioned things ensured that the main role is in the hands of oil companies and that they make the final decision how limited oil deposits will be used and by whom.

The following two chapters are analyzing the “Oil shock” which happened at the beginning of 70’s and its background. The fourth chapter touches upon the role of a dollar in world’s economy in the period when it became a unit of account and world’s reserve currency as well. This was also the period when American economy began to collapse and from author’s opinion in order to maintain high value of dollar Americans have initialized Yom Kippur war which had “Oil shock” as its result. Therefore, the fifth chapter continues to analyze “Oil shock”, as well as the report known as “The Limits to Growth” which defined population increment as a possible threat to world’s economy. The mentioned report assumed that it could cause the industrial crash giving the fact that industrial potential is limited.

The sixth chapter continues to deal with the consequences of “Oil shock” and its impact on oil demand in the world market. The “Oil shock” led to strenghtening dollar’s value but on the other hand it made alternative energy sources more attractive considering the fact that oil price went up for 400 per cent. Oil consumption has decreased and, in order to save oil production, Rockefeller has established the Trilateral Initiative which consisted of most developed industrial countries. Furthermore,

4 In the mid 50’s Rockefeller’s family held block of shares in three most important international oil companies - Standard Oil of California (Chevron), Standard Oil of New Jersey (Exxon) and Standard Oil of New York (Socony, later named Mobil)

5 From author’s point of view, this was American method to provoke Arabic oil embargo to increase the oil price.
chapter touches upon the situation in Iran and America’s influence on it. As Mossadegh’s government wanted to nationalize the oil resources, what was not in the best interest of USA, America has given its support to Mohammad Rezā Shāh Pahlavī. The dissatisfaction of citizens with new pro-American regime has increased from year to year and at the end it resulted with the hostage crisis in 1979 which will last for 444 days.

The seventh chapter under the name Oil Wars by Proxy analyzes the eight years long conflict between Iran and Iraq as a first conflict between OPEC’s countries. But the main focus is on the role of USA in the aforementioned conflict, as well as its relation with the Saddam Hussein who was the president of Iraq at that time. The chapter also touches upon the crash of oil price in the late 80’s and its consequences for the American economy and situation in the Soviet Union. As the economy of Soviet Union depended on the exportation of oil, reduction of the oil value caused the collapse of the Soviet Union which led to the strengthening of USA role in oil world.

The eighth chapter continues to analyze the interrelation between Saddam Hussein and USA after the end of Iran-Iraq war. The Carter’s doctrine which proclaims that “an attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force”6 is examined as one of the indicators of USA foreign policy and its interests in the oil wealth countries. Besides abovementioned issues, this chapter focuses on the Iraq invasion on Kuwait and the background of the conflict, i.e. the Kuwait’s economic pressure.7

The next two chapters explain the role of Russia in the oil world and its relationship with USA in last three decades. The collapse of Soviet Union has given the opportunity to USA foreign policy to establish the control over the biggest oil producer in the world. After Soviet Union fell apart, USA supported Chechnya in its intents to proclaim independence. From author’s point of view, huge oil deposits in Baku were of great

7 The measures which were taken by Kuwait led to the reduction of the oil price and therefore Iraq and other OPEC countries were concerned with the eventual consequences of the mentioned Kuwait’s economic pressure.
importance for Americans so war between Russia and Chechnya can be marked as war over the oil pipelines. The tenth chapter continues to deal with American and Russian relations and it touches upon the Santa Fe conference on which Hubbert’s theory was disputed by Russian and Ukrainian scientists. Their forty years long research led them to the conclusion that oil is renewable source of energy and that process of its creation is not related to the fossil remains of dinosaurs. The mentioned research was totally opposite to Hubbert’s theory so its adoption became a serious concern for the Western countries.

In the eleventh and twelfth chapter author describes the reaction of USA and Britain on the new theory of Russian and Ukrainian scientists, as well as the background of American invasion on Iraq, war in Afghanistan and revolution in Ukraine. The eleventh chapter touches upon the research done by Irish and French geologists which claimed that oil shortage will happen soon and it will be a long term crisis. According to the author, this research was an attempt of American and British oil companies to dismiss the theory from Santa Fe. In order to affirm his theory about American role in world’s policy, author explains the abovementioned conflicts as conflicts which were initialized by USA in order to establish its control over the world oil deposits.

Thirteenth chapter defines China as a new target, as well as its threat to the USA policy. The author claims that improvement of China’s economy made it a new target which USA wanted to put under control. The American invasion on Iraq in 2003 led to the cancellation of the agreement between Iraqi government and Chinese oil companies which needed to ensure the development of oil resources in Iraq. In its effort to control China’s usage of Iraqi oil sources as well as in other sources in the world, USA has drawn various moves in order to ensure its dominance in the world order.

In the last chapter author analyzes the most recent conflict in the Middle East, known as Arab Spring. In order to dethrone actual regimes, citizens of particular countries organized mass demonstration but it did not have the same consequences everywhere. Through the example of Libya, the author tries to give the example in which he tries to present USA as a world force whose goal is only to ensure the control over the oil deposits for itself but also to establish the concept of “full spectrum dominance”.

Myths, Lies and Oil Wars is a book which provides lots of interesting and useful information related to the oil issue and international relations as whole. Whether a reader would agree or not with the author’s theory and conclusions, it is interesting material considering the fact that it gives a radical overhaul to the theories regarding recent conflicts and their interrelation with the oil issue.

Zrinka Vučinović
“Central and South-Eastern Europe 2013, 13th Edition” is a comprehensive survey of countries and territories of Central and South-Eastern Europe that covers latest economic and political developments. As mentioned in the foreword, it is published at a time of serious uncertainty in the region, and in the European Union (henceforth EU). Greece is battling with a severe financial crisis, and other countries in the Western Balkans, despite some improvements in the framework of EU accession, also have problems with high unemployment and corruption along with the financial crisis. On the bright side, Croatia has signed the Treaty of Accession to the EU and approved it on a national referendum. So, the region is experiencing both positive and negative changes.

As already said, this is the 13th edition of a very successful series of regional surveys which has started in 2000, and is also published in the US and Canada. It is a part of the “Europa Regional Surveys of the World” series, being one of its earliest titles.

It consists of four parts covering the latest events with insightful articles on main issues, substantiated with statistical data and information regarding institutions and key figures related to the region.

Countries covered in the “Central and South-Eastern Europe 2013” edition are: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Greece, Hungary, Kosovo, Latvia, Lithuania, the former Yugoslav Republic of Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia.

Part one is a general survey and covers issues of regional interest including: the impact of the new member states on the EU’s external relations; the crisis in the Euro area; Central and South-Eastern Europe economies; Minorities in Central and South-Eastern Europe; EU integration and social policy.

reforms in Central and South-Eastern Europe; Environmental governance: the influence of the EU; the Baltic sea region; Modern Greece in South-Eastern Europe; Bosnia and Herzegovina since Dayton; with appendices on the religion of the region and the Kaliningrad region.

Part two consists of Country surveys, with a detailed analysis of each country, along with general information and statistical data concerning those countries.

Each country’s segment starts with a description of its physical features and its climate. The Population part is substantiated with data from each country’s own latest national censuses along with a short overview of the population composition by ethnic, minority, religion and language groups.

The population segment is followed by the Chronology segment which shows the dates and the events that have shaped the current situation in the country and are important to its people.

History and economy are described in short essays of analyzing a certain period of time or major events important to the country’s future or even its self-determination.

Statistical surveys can also be found in each country’s chapter, which are substantiated with detailed data and information regarding fields of economy and industry such as: Agriculture, Health and Welfare, Forestry, Fishing and Mining. There is also the latest data on production and the country’s finance, along with data from its external trade, transport, tourism, communications media and education. Surveys on area and population can also be found in the Statistical survey section.

Each chapter is concluded with general information on the constitution, judicial system, national and local government, political organizations, diplomatic representation, religion, the media and its principal newspapers and publishers, broadcasting and communications, finance, trade and industry, transport, culture, tourism, social welfare, the environment, defense and education.

Selected bibliography can be found at the end of each country’s chapter.
Part three named “Who’s Who of Central and South-Eastern Europe”, consists of biographical details on the region’s most prominent politicians, containing their place and date of birth, education and career. Politicians listed are mostly presidents, prime ministers, parliament chairman, speakers, ministers, leaders of opposition parties and mayors. Detailed contact information is also listed at the end of each politician’s biography.

Part four of the “Central and South-Eastern Europe 2013, 13th Edition”, provides regional information about regional organizations which operate in Central and South-Eastern Europe.

Starting with the United Nations organization this chapter gives us a detailed overview of data and information about each organization which starts with contact info and a short history review, along with the United Nations main goals and purposes.

Member states are listed, and the list encompasses every country mentioned earlier in the book except Kosovo. Diplomatic representations and permanent missions to the United Nations (UN) information is listed for each member state, as well as information about Intergovernmental organizations, active in the region that participate in the sessions and the work of the UN General Assembly as observers, maintaining permanent offices at the UN.

For other organizations named and listed in this chapter, the description starts with their organizational structure and ends with their activities, finance or even publications and associated funds and programs.

The list of organizations continues with those unrelated with the UN that are part of the World Bank group, such as the International Bank for Reconstruction and Development - IBRD, the International Development Association - IDA, the International Finance Corporation - IFC, the Multilateral Investment Guarantee Agency - MIGA and other financial institutions like the International Monetary Fund.

The chapter concludes with the description of mostly European political, economic and security organizations starting with the Council of the Baltic Sea States - CBSS, the Council of Europe, the European Bank for Reconstruction and Development - EBRD, the European Space Agency - ESA, the European Union, the North-Atlantic Treaty Organization - NATO, the Organization for Economic Co-operation and Development - OECD, the International Energy Agency - IEA, OECD Nuclear Energy Agency - NEA, the Organization for Security and Co-operation in Europe - OSCE, the Organization of the Black Sea Economic Co-operation - BSEC, the World Trade Organization - WTO and other regional organizations sorted by categories.

The 2013 edition contains a list of institutes and research centers studying Central and South-Eastern Europe, not only those from Europe but also those from North and South America and Asia, providing detailed contact information and the names of people in charge of those institutions.

At the end of this very rich 13th edition of “Central and South-Eastern Europe” is a selected bibliography of books and periodicals along with a detailed index of regional organizations.

This book is highly recommended for researchers interested in Central and South-Eastern Europe and social science students.

Nikola Marijan
This book focuses on the subject of environmental financing in five selected countries Bulgaria, Romania, Slovenia, Croatia and Turkey. Newer EU member states, such as Romania and Bulgaria, and those that will soon become members, like Croatia, as well as the ones that are in the process of preparation, such as Turkey and Serbia, have mostly aligned or are aligning their environmental legislation with the acquis communautaire. This book identifies major achievements and remaining challenges in the process of their alignment with the EU in the main areas of environmental regulation: nature protection, water, waste, air and climate change.

The book is divided in 6 chapters. First chapter introduces us to the subject of development strategies, environmental protection and financing. Authors made a comparative analysis of global policy framework, EU approach, national environmental strategies and financial needs and their links with strategic development documents.

Chapters that follow describe one by one main areas of environmental protection - nature protection, water, waste, air and climate change. In all this chapters the same concept is applied. The current situation is presented, followed by an overview of institutional and legal frameworks. Division of competences between actors at the same or at different levels is addressed. Costs of implementation are estimated and possible sources of financing are identified.

The first area that authors focus on is nature protection. Authors introduce us to the EU requirements and European ecological network of special areas of conservation-Natura 2000 before they start with national plans and financing of the selected countries. They explain that sustaining the financial requirements of the Natura 2000 network depends ultimately on national governments and the capacities of Natura 2000 managers.
Next chapter analyzes the water sector. Like in the chapter before authors start with the European water policy and elaborate crucial EU Directives like Water Framework Directive adopted in 2000 before they start with the analysis of national plans and financing in Slovenia, Bulgaria, Romania, Croatia and Turkey. They emphasize that significant financing is necessary in the water sector, but that key problems that hinder faster water sector reform are institutional: unclear division of responsibilities between various organizations and the lack of coordination.

Chapter that follows analyses the waste sector in selected countries. Since the European Union waste policy and legislation try to minimize adverse environmental impact caused by the generation and treatment of waste, selected countries have to align with the EU and its legislation. In all focus countries at national level, ministries of environment are responsible for policy development, while local authorities are responsible for implementation. Local authorities often lack financial, institutional and technical capacities for effective waste management. EU legislation transposed into national legal provisions requires a new approach to waste problems, based on the principles of waste hierarchy and polluter pays. While legislation on waste management has been improved, the implementation of these principles is challenging, burdened by the issue of affordability.

Fifth chapter focuses on air sector. The EU has been working since the early 1970s to enhance air quality and has been acting in different stages to reduce exposure to air pollution: through European legislation, through work at international level to reduce cross-border pollution, through cooperation with sectors responsible for air pollution, through national, regional authorities and NGOs, and through research. The effort is made by controlling emissions of harmful substances into the atmosphere, improving fuel quality, and by integrating environmental protection requirements into the transport and energy sectors. Air quality has improved in all focus countries since 1990 except Turkey. This is primarily the result of economic transition, downsizing of most polluting industry and improvement of fuel quality (for production of electricity and in transport sector).

The final chapter focuses on climate change. Since The Kyoto Protocol is going to expire on 31 December, 2012 authors emphasize that the successor treaty has not been agreed upon yet, but the goal is set to
limit an increase of global temperature to two degrees Celsius. They also underline that there is no agreement on how to reach the agreed target, but there is an understanding that developed countries should finance domestic measures as well as adaptation and mitigation measures in developing countries. As parties to the Kyoto Protocol, Bulgaria, Romania, Slovenia and Croatia have adopted binding reduction targets (8 per cent decrease of emissions; 5 per cent Croatia) while Turkey has no commitment. All the focus countries requested recognition of specific national circumstances under the Kyoto Protocol and have relied on foreign assistance to build institutional capacity for climate policy creation and implementation.

The book addresses important issues of environmental financing that gained particular importance on the global scale in the recent years of economic crisis. Authors comparative analysis of the five selected countries show us that commercial value of environmental infrastructure necessary for services, issues of affordability, price setting mechanisms, risks for investors and creditors and policy stability and predictability have a significant role in the decision making related to financing environmental protection.

Marina Funduk