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*Croatia — Prospects for Development*

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**Why are Southeastern Regional Approaches  
Unacceptable for Croatia?**

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*Summary*

The article presents a critical view of the two concepts of the resolution of the conflicts on the territory of southeastern Europe and particularly on the territory of the former Yugoslavia. They are the American initiative SECI and the European Union's regional initiative.

The author finds the American initiative of the cooperation between the states on that territory unrealistic. It means linking the unlinkable (similar to the former COMECON) and serves American Eastern interests and plans. The EU regional initiative is more logical since there is nothing hidden behind it, unlike the SECI.

The author thinks that both proposals are unacceptable for Croatia. Croatian interests lie with Western Europe - economic as well as others, particularly political, so EU would do better to forge ties with Croatia.

For some time now Croatia has been netted by proposals regarding the need for its integration with its eastern neighbors. It started by giving strong support to dubious individual proposals, which was followed by elaborating such ideas at international meetings which were organized solely for that purpose, to be eventually outlined in the American Proposal for Cooperation in Southeastern Europe and the European Union's Regional Balkan approach.

Formally independent, both proposals have come from the same source, which suggests that this is a coordinated bipartite approach. This accounts for differences in proposals. European Union's Regional Approach is individually binding, while the US Proposal is reportedly not, although any analysis will show that this is not the case.

Common basis for the aforementioned approaches can be found in the New Transatlantic Program (NTA) which was signed in December 1995 by the United States and the European Union. This program is characterized by "turning solemn promises into common programs" on a number of issues.

More precisely, the program for the "solution of all historical, political and ethnic problems of the Balkan region" (J.C. Kornblum, *Nova atlantska*

zajednica, *Tjedni pregled*, No. 25, 1996) is shared by the US and the European Union, and the fact that it is formally expressed in two approaches results from the fact that they do not have the same set of tools needed for intervention.

European Union, still primarily an economic community, has economic instruments at its disposal. The United States does not have immediate economic instruments, but its set of tools includes political and security instruments (authority of a super power and the NATO system with the Partnership for Peace), which cannot be ignored.

The combination of political, economic and security instruments can be so efficient, that the country which does not accept proposals put forward by such super powers must have good reasons for rejecting them.

This is why the question whether Croatia has good reasons for rejecting such approaches is a pertinent one. The answer is simple - yes, it has reasons related to both the form and the content. Formally, Croatia as a sovereign and internationally recognized state has the right to reject various proposals, particularly those that represent an immediate or indirect threat or can jeopardize its international status. Contentwise, any country including Croatia will accept those forms of international cooperation which it assesses as beneficial, and reject those forms of international cooperation which are assessed as disadvantageous.

The size of a country is not an essential issue in international cooperation. Acceptance or rejection of international cooperation is a common situation in the international community, particularly regarding economic relations. This is true of both big and small states.

For example, during Reagan's administration, the USA put forward a proposal to introduce a liberal exchange system for agricultural products on a global level. The proposal was accompanied by a solemn promise that the USA would participate if other countries participate, and that it would do it no later than 1999.

Although the message was a global one, it was, in the first place addressed to the European Union (for years there has been a smouldering agricultural war between the US and the European Union), which ignored it and has never even considered it.

Clearly, the European Union found that accepting such a proposal would be to its disadvantage. This case might not be a typical one, since it concerns two economic giants, which cannot impose their will on each other. However, such behavior can be found even in relations between giants and dwarfs. For example, Norway has twice refused to become a European Union member. On both occasions Norwegian people decided that the government representatives had been hasty in putting their initials on the agreement on European Union membership, and by saying "no" at the referendum they warned the government not to do it again.

Something similar might happen to some other less developed members of the European Union, due to the growing dissatisfaction of the people (particularly farmers). This is suggested by numerous public opinion polls as well as the fact that the Union had to earmark funds for the promotion of union values.

Consequently, there are no *a priori* standpoints, according to which a country would have to accept something just because some other country has taken the liberty of offering it claiming that it would be beneficial for that country, although the country in question does not see it that way.

Let us set aside the fact that former communist countries, now being countries in transition are fed up with various proposals and all kinds of missions whose aim is to teach them about the benefits of various amalgams. An essential question remains - what are the threads that bind various countries and nations, and is it really best for them to be put in a retort where money and property are sacrosanct measures of value.

According to Kornblum, this seems to be the best policy. He says that his country's strength rests on the ability to create ideas and actions in "unpredictable ways". Moreover, he asserts that the strength of the USA comes from the fact that it "has absorbed people from all countries", which has provided it with large-scale "creative thinking", and being the world's largest laboratory for social change it inspires people who can identify with it. This is why, says Kornblum, in a "certain sense" the USA is a closely knit fabric at a time of disuniting developments in many European communities.

Some might disagree here. In his good Marxist manner Kornblum obviously believes that the quantity eventually turns into quality. If this was really the case, then the United States would not be what it actually is. The reasons are quite different.

Intensification of the American approach in Europe at the turn of the century is more deeply rooted and its intentions are of a different kind. Today it is obvious that American post-war leading position has been seriously shaken. New powerful systems, such as the European Union, have upset the established schemes and in many areas require articulation which they are entitled to by their nature.

Nothing can happen in today's Europe without the involvement of the European Union, neither can in the Pacific without Japan's. Monoangular world has now become triangular, and the new roles have been assigned accordingly. This is now the case in the area of economy, and the same will happen in politics soon.

When Americans seek new forms of integration, it is then an attempt to maintain their leading position in a new way. A case in point is the proposal to create the New Transatlantic Community, which would, according to the proposal, besides the security aspect (NATO) include eco-

conomic and political issues. Therefore, in the area of economy, a free trade zone has been proposed (free transatlantic market), and in the area of politics joint responsibility of the European Union for political processes in Europe and an agreed course of action in crisis areas both in Europe and worldwide. In the Pacific area this would be implemented through a prospective Pacific free trade zone, whereas Latin America has already been covered by the NAFTA system.

Changes in the American approach to global issues could first be seen in the middle of Clinton's first presidential mandate. At that time (1993), at a conference in Seattle American ideas of mutual cooperation were presented to presidents and prime ministers of 18 Pacific states. The same was repeated with European states in late 1995, when the NTA program was signed, whereas the NAFTA system (Northamerican free trade zone) is slowly reaching Latin America via Mexico.

In each of these projections, the key "local" partner is sought. In Europe it is the European Union, and in view of the NTA program, it may be said that the two partners basically share their attitude to the southeastern part of Europe, although there are some significant differences.

The most obvious difference is that regarding scope. American proposal includes a larger number of countries, while the European Union's program is restricted only to the new states created on the territory of former Yugoslavia. Furthermore, the American program also includes some countries which have already established contractual relations with the European Union (Hungary, Slovenia, Romania and Bulgaria - as associate members, and Turkey - as tariff union member). There are also differences in content. Unlike the European Union's program, which is binding, the SECI program is supposedly not binding and it is based on the principle on interest. On the other hand, acceptance or rejection of the Union's program can affect the economic relations of each country stated in the regional program with the European Union.

Regional approaches and programs are not a novelty in the activities of the European Union which focus on particular regions. It has developed similar programs for more or less all world's regions: Central European program, Mediterranean program, Latin American program, a special program for Russia and the ASEAN countries.

In fact, for its numerous relations with various countries, the European Union has developed a network of contracts and strategies. And, as far as I know, none of them includes guidelines which can now be found in its latest Regional Approach. So far, meeting some standard requirements in the area of human rights, free media, free market and stability of the national economy has been expected and the adjustment of economic and political instruments to the demands of the modern Western market has been insisted upon. There have been no conditioned solutions, according

to which the European Union would establish contractual relations with a country only on condition that the country in question enters a special union with one particular country or all its neighboring countries.

Indeed, things have been quite the contrary. For example, upon the implementation of the Schengen Agreement, Austria should have denied all benefits to its neighbors, since under the Agreement, the Austrian border actually became the border of the European Union, thus ceasing to be solely Austrian border. Also, the European Union did not insist on the reconciliation between Turkey and Greece, particularly regarding their conflict over Cyprus, before it signed the tariff union contract with Turkey. It is true that the implementation of the tariff union between Turkey and the European Union was postponed for some time, not because of Greece (which is a member of the European Union), but due to the issue of Kurds and human rights.

So, everything is relative and the European Union's actions and its Regional Approach are obviously covers for a hidden agenda, no matter what the European Union's leaders and spokesmen are saying now in response to Croatian protests. This can be recognized in the interview given by the Dutch ambassador to Croatia, where he emphasizes, among many nasty things he said about Croatia, that Croatia is an area full of viruses, which the Union does not wish to import. In other words, this area first needs to be decontaminated, and cooperation might be discussed only when it is cleaned.

In an extremely undiplomatic manner, he said things which cannot be found in the documents, and it is hard to believe that it was just a slip. The interview abounds in such "slips", which leads to the conclusion that they, too, serve some purpose and are part of a global strategy.

European Union stated its views on the regional approach in a special document known as Future Contractual Relations With Some Southeastern European Countries. The document was designed by the European Committee, and was adopted by the European Union's Ministry Council on October 28, 1996.

Due to the significance of this document, an explanation of its basic guidelines might prove useful. First of all, it is a set of principles, which are the basis for the development of future relations between the EU and the countries stated in the document. However, it should be noted that, although mentioned in the introduction, Albania and Macedonia are exempt because these countries have already established certain relations with the Union, which is explicitly stated in the document.

Practically, the document concerns Croatia, Bosnia-Herzegovina and FR Yugoslavia. According to the document, the European Union would establish contractual relations with these countries and future agreements must contain elements of "clear political and economic stipulations, with an em-

phasis on the respect for human rights, minority rights, rights of refugees and displaced persons, democratic institutions, political and economic reforms, readiness for open and cooperative relations between these countries, full implementation of the Peace Treaty provisions” (EU’s document on the “regional approach”).

In other words, the EU has set the following as stipulations for future contractual cooperation:

- respect for human rights in general and minority rights of various national groups on the territory of the country in question;
- respect for democratic institutions;
- respect for political and economic reforms;
- the countries in question are required to be prepared for open and cooperative mutual relations and
- full implementation of the Peace Treaty provisions, which concern the preservation of Bosnia-Herzegovina.

There is an additional stipulation for FR Yugoslavia, which is a granting Kosovo a high level of autonomy.

Croatia met these conditions long ago. Human rights in general and minority rights of various nationality groups are respected in Croatia. On these lines all necessary acts, from the Constitution to a special law on minorities providing minority rights of a standard exceeding European standards have been passed, which was confirmed by admitting Croatia into the European Council. Croatian state also respects the rights of refugees and displaced persons and insists that the other side do the same.

Furthermore, Croatia respects democratic institutions. It has legally elected government bodies and the Constitutional court which controls the government. In Croatia, political parties as well as all kinds of associations are entitled to free operation, some of them even being engaged in activities aimed at destabilizing the government. Political crimes do not exist in Croatian legislation, and freedom of speech and writing is not restricted in any way. These facts were confirmed by the European Council, when it granted Croatia its membership.

Political reforms have been implemented in Croatia. Communist legacy has been done away with. Political commissioners who dictate what and how things should be done have become a matter of the past. According to objective assessments made by some foreign institutions, Croatia ranks high among transitional countries regarding economic reforms and economic revival.

Also, Croatia adheres to the Dayton (Paris) Agreement. It recognized the integrity of Bosnia-Herzegovina long ago, when others wanted to subjugate it. The problem lies in the fact that Croatia insists that the Dayton

Agreement be consistently implemented, which some other countries are not willing to do, and so they use Croatian insistence on granting Croats in Bosnia-Herzegovina their legitimacy to put the blame on Croatia, which is absurd. It is absurd to keep Croatia in some kind of “captivity” due to the misconception that all three states are equally to blame for the war on the territory of former Yugoslavia. It is even more absurd to ignore the fact that the war was imposed on Croatia, that it was fought on Croatian territory even before the war in Bosnia-Herzegovina broke out, with the Bosnian leadership providing logistic support to the aggressor.

These are historical facts. They cannot be contested by claims made by some politicians that it was a civil war. In this war rockets were launched, bombs were dropped, villages were run down by tanks, people were killed by various lethal weapons which could not have been in possession of individual citizens. Some of these demolition devices were produced in some Western European countries.

These facts are not unknown to the European Union. Its recognition of the new Croatian state was based on them. This was done by all Union’s members. Therefore the question why the Union has now adopted a different stand is appropriate. What does it aim by setting such vague conditions for its future relations with Croatia, so that at any time they could be interpreted in such a way to suit the Union?

If the European Union really has no other intentions but stabilization and good neighborly relations in this troubled area, why has it not stated the conditions precisely, as has the European Council? If it had, its intentions would be perfectly clear.

What is the actual meaning of the “European Document on Regional Approach”, and the suggestion that the contracts signed by “regional approach” countries with the European union should reflect their individual readiness for “open and cooperative relations”? At an individual level, it means that the contract Croatia makes with the European Union will contain a provision on its openness and cooperation with Serbia (FR Yugoslavia) and Bosnia-Herzegovina, not on its own terms but on the terms set by the European Union.

This is where the problem lies. The problem of the Regional Approach lies in the fact that it does not follow the pattern of interstate contractual relations and that it imposes approaches which are not common in interstate communication. This is why the Croatian government is right when it questions such an approach and is not willing to accept a special contract, as proposed by the European Union.

Croatia is a small country and is therefore very keen on having good relations with other countries, particularly with its neighbors. Croatia wants to have good relations with Serbia (FR Yugoslavia) too, for many reasons,

particularly economic ones. Free use of roads and other infrastructure is in Croatia's interest and to its benefit. However, Croatia cannot be interested in such "cooperative" relations which are aimed at the kind of integration that reeks of times passed.

The 45 years spent within Yugoslavia, cost Croatia \$US 102 billion. Indeed, this much was taken away from its GNP for the military, various federal institutions and economic assistance to less developed republics of the former state. For financing the former federal state, Croatia annually set aside over \$US 2 billion.

It is an enormous amount, and if Croatia had not been robbed of it, in terms of economic development Croatia would today belong to the group of developed European countries.

As can be seen the European Union's Document on Regional Approach is extremely rigid, it is based on unacceptable and illogical premises and obviously contains a hidden agenda. How else to account for various requirements Croatia is expected to meet, which have no political and economic logic.

In the so far practice of contractual relations established between the European Union and "third countries", not a single example can be found where a country's relations with the Union are conditioned by making identical contracts with a country set by the Union. More precisely, in its Document, the Union requires all the three countries stated in the document to establish cooperative relations in various areas. In their trade relations they are required to grant each other various benefits, and if they refuse to do so, then they cannot expect the Union to provide various benefits, as stipulated by the contract the Union would sign with each of them separately.

This is definitely a novelty in contractual relations of the European Union with "third countries". In its practice of international communication, the Union has developed special types of contracts. They range from standard trade contracts to trade contracts including tariff unions and free trade zones. As far as we know, none of these contracts contains any such binding stipulations. For example, Poland has been granted the associate member status. Its contract does not include any provisions suggesting that its relations with the Czech Republic, also an associate member, should be of the same kind. The fact that the two countries actually practice free trade in their mutual relations has nothing to do with their relations with the Union. It resulted from another agreement, which provides the basis for the cooperation of Central European countries. So, the European Union has developed a special scheme for the countries treated in its "Regional Approach", and created a new type of contractual relations, which might also be applied elsewhere.

All these “special” efforts of the Union are crowned by its insistence on political dialogue. Its guidelines will be set in the form of a Joint Statement. The Document does not specify what political dialogue implies. It only emphasises its importance for any future agreements with any of the stated countries and the fact that negotiations must accompany the acceptance of the regional aspect of cooperation.

The actual implementation of the Document on the “regional approach” does not include making one contract for all the three countries in question. The Union will make a separate contract on mutual relations with each of the countries, which might suggest that it respects the fact that these are three separate countries. In fact, no other form is possible at the moment. These are now independent states, but this is not about present, this is about future implications of the Document.

The following paragraph also suggests that the European Union might have a hidden agenda: “Future contractual relations (between the Union and individual countries - V.M.) are to be established ‘case by case’, although a certain level of similarity might be taken into account. The first agreements with these countries should be restricted to cooperation even if in some aspects they could exceed the traditional economic content of the first generation of agreements on trade and cooperation”.

In other words, Croatia is stopped at the very first step, even if in some areas of mutual relations with the Union it has developed elaborate forms of cooperation. It is reduced to the contract on trade and cooperation, and all other higher level forms of relations are to remain inaccessible until some defined and undefined criteria set by the Union are fulfilled.

Croatia cannot accept such an approach. Namely, the members of the European Union, that is the Union as a whole, are major trade partners. All other economic transactions, too, come to and from the area covered by the Union. Economically speaking, Croatia has always been more integrated in this area than in any other part of Europe, even more than with countries, former republics of the state she used to be a part of. With the exception of Slovenia, Croatia used to do less than 20% of its foreign trade with other parts of the former Yugoslavia. And most of it was forced on it by economic instruments, since most products could be imported from abroad at a lower price and better quality. The fact is that Croatia was never really integrated in that “Yugoslav” framework, and this is why current efforts to make it integrate with these countries are rather dubious.

This is illogical even from the Union’s point of view. By making Croatia become part of that economic entity it loses a valuable trade partner, which might not be crucial to the Union, but is fairly important to some of its members, since it is from the Union’s countries that Croatia yearly imports \$US 2 billion worth of various goods.

It seems that the Union included a lot of ambiguities in the Document on the “regional approach”, which can be interpreted in different ways. Croatian politics has been studying them with utmost care, refusing any suggestions leading to a new political union. Croatia is not interested in any regional approaches and invokes the document’s “evolutive clause” under which the European Union can establish bilateral relations with Croatia regardless of the fact that at the moment “it is impossible to foresee when all the required conditions for this will be fulfilled”.

Croatian rejection of the Regional Approach and its unwillingness to discuss trade and cooperation possibilities with the European Union within a package including some other countries made the Union leaders reinterpret the Document, saying that its provisions have been misinterpreted, that a new political union is out of question and, moreover, that the Document appreciates the individuality of each of the three countries and that it only contains some criteria binding for all these countries (Statement by EU Council of Ministers, Luxembourg, October 28, 1996).

However, such statements are not confirmed in practice. Ten days after the EU Council of Ministers issued this statement, the EU summoned the representatives of the three countries to a conference in Paris, for preliminary consultations on the beginning of negotiations regarding trade and cooperation agreements. However, the treatment of the delegations was equal except for the time scheduled for each.

In view of this, later statements made by individual Union’s functionaries, and individual representatives of member states aimed at taking the edge off the Document did not help clarify any points, but only made the issue even more confusing, thus showing that the Document’s vagueness may prove to be a boomerang.

The Dutch ambassador to Croatia was one of those who only made things even more complicated. In his interview for *Novi list* (daily published in Rijeka) he made many false accusations against Croatia. In an utterly undiplomatic manner he revealed the background of the Document, asserting that Croatia is still “one of the region’s problem areas”, which might account for the treatment it is receiving. Furthermore, the Dutch ambassador admits the possibility to interpret the Document as a form of pressurizing Croatia into saving Serbia and Bosnia-Herzegovina from total collapse (Josef W. Scheffers, “We are not willing to import your problems into the European Union like viruses”, *Novi list*, January 24, 1997).

The Dutch ambassador is certainly not an odd man out. Estimates given by some EU member states follow the same pattern. A case in point is Great Britain, whose parliamentary Committee for European Legislation in its “Second Report” insists on a “tougher” treatment of Croatia than that of the EU Council of Ministers.

This is why an objective analysis will show that the entire concept of future relations with the European Union was based on the idea that the Union would “open its door” to individual countries from the region in proportion to their openness to one another. This is where the conditioning lies, which is believed to be likely to develop into something else.

About one month after the European Union issued its regional approach program, the USA came forward with its Initiative for Cooperation in Southeastern Europe. It was presented to the representatives of 11 states at the conference held in Geneva (December 5-6, 1996), where it was the only item on the agenda. At the end of the conference, the Initiative was signed by nine Countries, with Slovenia and Croatia expressing reservations. FR Yugoslavia had also been invited to the conference but the invitation was withdrawn due to current political developments in the country. However, the invitation will certainly be renewed.

The Initiative proposes cooperation of 12 states: Albania, Bosnia-Herzegovina, Macedonia, Greece, Hungary, Moldavia, Romania, Turkey, Slovenia, Croatia and FR Yugoslavia. The list of states included in this Initiative clearly suggests the incongruity of the concept. In a joking manner, it might be said that the Americans “put together” the countries situated on the territory of the former Turkish Empire, disparate world views and incompatible interests.

Furthermore, the Initiative includes EU full member states or EU associate member states, which poses insurmountable obstacles to desired cooperation. For example, the European Union has its own concept of various infrastructural networks, so it is hard to see how this concept can be harmonized with some of the concepts arising from the Initiative.

In addition to this, what interest could Slovenia and even Croatia have in building roads towards Romania, when their interests are focused in quite the opposite direction.

And finally, how can this Initiative promote the interest which the aforementioned states display for European integrations, when the USA, as the chief proponent of this concept, is not member of any European economic integration.

This is clearly about something else and it has to do with security systems - the NATO and Partnership for Peace and the development of a security corridor around Russia, which, according to some estimates, might be a source of threat for Europe. In this context, the discrepancies of the Initiative are irrelevant, it is the global objectives that count, and the fact that this is not in the interest of some countries covered by the Initiative has little relevance. On the other side, however, it is hard to believe that Russia will lightly accept the efforts of the NATO system to reach its borders.

The initiative was conceived as a forum where representatives of member states discuss and decide on common economic and ecological problems of the region, the solution to which requires coordinated action at regional level.

Issues of common interest will be elaborated by ad hoc task forces, which would meet immediately after the issues have been discussed. They would be made up of experts, whose task is to come up with specific proposals.

The initiative does not rule out other proposals on cooperation in Southeastern Europe (EU Regional Concept, the Sofia Declaration on Good Neighborly Relations, the Central European initiative and the Black Sea Economic Cooperation Initiative). It will only attempt to “supplement them” in terms of: a) close cooperation of this region’s governments; b) regional level planning; c) development of new programs and relationships; d) assistance in creating such a regional climate that will encourage private sector participation.

The initiative would have an executive director (“high ranking official”), who would be in charge of the realization of decisions made by the member states, and would facilitate the implementation of projects. This official would be elected by the Organization for European Security and Cooperation, on the demand of Initiative’s member states, which is a precedent unknown in the practice of international relations. It is not standard practice that an executive director of an organization (even a forum) is a person appointed by another organization, which best illustrates the American attitude to these states. The Initiative provides for the establishment of a Program Committee, which would adopt programs, set priorities and conduct audits. Each member state would appoint one representative to the Committee. The UN Economic Committee for Europe would provide technical support for the Initiative whose headquarters would be in Vienna, at the Institute for Central Europe and the Danube Region.

The term “supporting states” is used throughout the Initiative, It refers to all other states which might “in due course” be invited to joint consultations regarding the Initiative.

As can be seen, the Initiative’s tasks too, are outlined very vaguely. They lack substance, and this is what enables the Initiative to start all kinds of things. It is also evident that the Initiative’s designers wish to reserve the “right” to supplement other programs. Accordingly, they could also supplement the European Union’s Regional Approach, although the Union might not tolerate it.

If the Initiative is combined with the EU’s Regional Approach and in view of the fact that it is not backed up by powerful monetary funds (like the European Investment Bank), it remains unclear how some potential infrastructural projects are to be realized. When designing the Initia-

tive its initiators must have known that there were no funds for the realization of programs, and since they have not made their own funds accessible, it is questionable whether the Initiative rests on economic issues or is simply a political thing.

This fact inevitably calls for caution and leads to questions as to what this is all about. To understand what this is all about, we should go back to the New Transatlantic Program and its idea to extend the methods which have proven efficient in Western Europe to all Europe.

This means that the Initiative is actually the beginning of a broader concept which would lead its member states to economic relations, such as free trade, through infrastructural projects, and through that to political cooperation and various associations which are definitely unacceptable for Croatia.

We should remember that the European Union developed from the European Coal and Steel Union, in other words, simple issues have developed into ramified systems in the areas of economy, social and political life. However, this was an entirely different situation with circumstances which do not exist in the area covered by the Initiative. This area comprises states which cannot be joined without numerous problems. This is why Croatian government's analysts are right when they are doubtful about the Initiative and its plans to isolate Croatia from its natural environment.

Croatia has no economic and much less political interest in associations with areas and countries it has never had close contacts with. For centuries Croatia lived in a different environment, and this is where its major interests and plans are now directed.

This is why assurances, like those given by the Initiative's appointed coordinator (Erhard Busek, Director of the Institute for Central Europe and the Danube Region), that the Initiative does not lead to any political associations are entirely counterproductive. He claims that the Initiative's sole intention is to join the 12 states "in the areas of economy and ecology" and to "help develop a road network". And the fact that he was appointed as coordinator (as someone not related to any of the 12 states) is only a result of the American belief that relations between Southeastern European states are so disrupted that there is hardly anything they can agree on.

On the other hand, Busek's statement demonstrates that the Initiative contains a hidden agenda. The very statement that things should be imposed on some countries because a neutral party finds it beneficiary for them is highly questionable. They should know best what is good and what is bad for them. Secondly, economic relations are not a matter of good will since economy has its inner logic. In the recent past there were some good examples of imposed economic measures through well-elabo-

rated plans. Former COMECON states elaborated a huge network of cooperative relations and numerous institutions in order to integrate the area covered by COMECON. However, this proved to be futile. The moment the discipline loosened, all the European COMECON members turned to the West and trade routes changed overnight, which was one of the reasons for the break-up of the whole system. And this proves best that economic activity cannot be imposed.

Because of all this the Initiative is unlikely to succeed. It attempts to integrate states which have little in common in such a way that they themselves are to pay for integration costs. In other words, they are supposed to apply for credits in order to build something that is not in their interest. Things would be quite different had the USA, through its representative Richard Schifter, offered non-repayable aid of \$US 50 billion, which is the amount needed to cover the costs of the first six proposed projects (improvements in the power system efficiency, elimination of bottlenecks on transport routes, integration of gas supply systems, promotion of small and medium enterprises, revival programs for the Danube region and facilitation of border-zone traffic). However, even then the Initiative should be rejected if its political requirements led Croatia to permanent integration with states which lie outside its interests.

Finally, the European Union's Regional Approach and the American Initiative are characterized by understatement and vagueness to the extent that they might, at any time, take unpredictable directions. Consistent implementation of the Regional Approach might lead to institutionalized forms of cooperation with the states of former Yugoslavia, even with the state which started the war against Croatia, which is now, of course, unacceptable. On the other hand, the Initiative obviously aims at establishing a free trade zone in Southeastern Europe, the purpose of which is not quite clear. All Southeastern European states tend towards integration with the European Union, some already being its full members, some being associate members and seeking full membership and some seeking to become associate members. In other words, countries of Southeastern Europe have not demonstrated any interest in reciprocal economic, and especially not political cooperation. Being an American initiative, it is obvious that the US want to establish some kind of counterbalance to the European Union on the one hand, and by bringing together these states to reach the Russian border on the other.

Assertions like the one that the Initiative is in collusion with the European Union do not contradict the above deduction. At the moment the Union is not opposing the Initiative despite the fact that it includes some states that are EU full or associate members, because the Initiative eases the pressure of potential members. In the ongoing process of reexamining its systems, the European Union might find the Initiative helpful, but the question remains for how long. Tomorrow this might no longer be the case.