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on relations between the European Community and the republics of the former Yugoslavia

Rapporteur: Mr Arie OOSTLANDER

PART B: - EXPLANATORY STATEMENT

- Resolutions B3-1941/90, and B3-2117/90

- Opinion of the Committee on External Economic Relations

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B

EXPLANATORY STATEMENT

INTRODUCTION AND THE PROBLEM DEFINED

With the liberation of Central and Eastern Europe from totalitarian dictatorships the way has been cleared for political, social and economic reforms. If parliamentary democracy, a pluralistically structured society and a social market economy are to be established, the attitude and behaviour of citizens and governments must change radically. It is not surprising that even the organization and integrity of states should be questioned in this context. The reasons for this may vary widely.

- Some countries want to bring to an end an occupation that was never accepted.
- Others see the structure of which they form part as highly oppressive and regret that they ever decided to join it.
- Yet others want to develop politically, culturally and economically within a different framework because of the many serious drawbacks associated with the old one.

The problems in the Yugoslav republics of Slovenia and Croatia fall into the last category. However, the civil war in Croatia introduces a different dimension. The poisoning of the atmosphere is both the cause and the objective of the violence by the two sides. Both before and during hostilities, ethnic divisions have been manipulated for political ends and stirred up further. In many cases this has irreparably devastated the ethnically mixed societies existing in many regions.

The European Community bears a particular responsibility for the course of events in the countries concerned:

- because of their geographical proximity and the special relations which the Community has developed with them;
- because the Community is a party to the CSCE and the Charter of Paris;
- because of the Community's involvement in other relevant international organizations, such as the Western European Union and the United Nations;
- because both events in Yugoslavia and the EC's response may create an extremely damaging precedent affecting other areas in Central and Eastern Europe.

Recent events in Yugoslavia have brought about a radical change in relations between the EC and the region and its constituent republics. This redefinition has, of course, been undertaken in the wider European context.

BACKGROUND

Six peoples in one federation

As a state, Yugoslavia has a comparatively short history. It has existed only since the end of the First World War, and even in this period there have been interruptions. The sense of kinship among the southern Slavic peoples (originally the Serbs, Croats and Slovenes) stemmed from their location, their linguistic affinity and the dangers they have faced together. There are many other population groups of different origin that regard themselves, with just as much right as the southern Slavs, as indigenous. They have retained their own languages and cultures.

The various ethno-cultural groups in Yugoslavia do not as a rule live in readily definable areas (see Annex 1). All six of the present republics and the two autonomous provinces have culturally and ethnically mixed populations. In this respect the Republic of Slovenia is the most homogeneous, with over 90% Slovenes and just a few per cent of citizens of mainly Croat, Serbian, Italian and Hungarian extraction. In contrast, Bosnia Herzegovina is a Yugoslav mosaic in itself.

The reference to this diversity would be unnecessary were it not for the fact that historical events, economic development and the political situation in the republics largely parallel the ethno-cultural differences. Excessive importance is thus attached to 'ethnicity', an external feature which people are not free to choose.

A distinction is currently made between six 'peoples', viz. the Serbs, Croats, Slovenes, Macedonians, Montenegrins and (strangely) the Bosnian Moslems. Such important groups as the Albanians (in Kosovo), Hungarians (mostly in the autonomous province of Vojvodina) and other, smaller population groups are known not as peoples but as minorities 'because they already have a country'. There are, of course, many citizens of mixed ethnic origins. Some of them (approx. 10% of the population) used to refer to themselves as 'Yugoslavs'.

Minorities have fewer rights than the Yugoslav 'peoples'. They do not, for example, have the right of secession as a form of self-determination.

Coping with differences

The differences that exist within Yugoslavia have naturally determined the level of the country's integration. While it was a kingdom (in the inter-war years) and during the first years of Communist rule, attempts were made to impose unity by force. But even in Tito's day a process both of social and economic and of political decentralization (Socialist self-government) was launched.

The Republic of Serbia has hitherto been the strongest advocate of the model of Yugoslav unity. Important movements in Serbia take the view that all Serbs must remain united in one state, along with the regions closely associated with Serbia's history (Kosovo). This idea of a 'Greater Serbia' amounts in effect to the desire for hegemony over a far larger area than the Republic of Serbia alone, i.e. a Yugoslavia which will no longer include Slovenia or the parts of Croatia not inhabited by Serbs.

Ethnic thinking in one republic easily leads to discrimination against minorities from others. This is the fear at least if Yugoslavia as such should disintegrate. In Serbia ethnic thinking still gives rise to the suppression of the Albanian 'minority', which accounts for about 90% of the population of Kosovo.

The idea of a Greater Serbia, which is thus partly fuelled by the fear of discrimination against Serbs in other republics, has evoked feelings of anxiety and nationalism elsewhere in Yugoslavia. This escalation of the conflicts into civil war shows that this fear was not baseless.

Now that there is greater freedom of expression, the nationalism that was once suppressed is having an inordinate effect. Feelings of anxiety are stimulated by memories of the atrocities suffered by the Serbs at the hands of the Croat puppet state and of the revenge they took on the Croats after the Second World War. Mass graves are still being found and the remains reburied, again focusing the people's attention on the past.

There has been no process of reconciliation, no forgiving and forgetting. The Churches in Yugoslavia have also been unable to perform their task adequately in this respect. Both efforts on the part of the Convention of European Churches and approaches involving a number of different religious faiths have so far proven fruitless.

Yugoslavia is thus again becoming the victim of the cycle of fear.

From unity to disintegration

During Tito's regime a number of unifying factors remained intact:

- geographical proximity;
- the similarity of languages;
- the single (imposed, Communist) economic and political system;
- the existence of a single Yugoslav market and economic interdependence;
- the concept of Yugoslavia as the leader of the non-aligned countries and the special position it therefore occupied between East and West;
- Tito's authority as the leader of the partisan army that liberated Yugoslavia, as the founder of the new Yugoslav Federation and as a political leader of international standing;
- the two centrally organized forces: the Communist League and the federal army.

Factors conducive to disintegration were, however, always present and gained in strength after Tito's death:

- the widening prosperity gap between North and South (Slovenia's per capita GNP is now almost ten times as high as Kosovo's; see Annex 2);
- growing nationalism and ethnic thinking in the republics;
- Slovenia's and Croatia's serious objections to the investment, budget and monetary policies pursued by Serbia and the South in general;
- the differences in the extent to which the republics have discarded Communism, leaving the Federation, as it were, with both a Hungarian and a Romanian political system;
- as most of the political leaders received their training in the Communist Party, or in the atmosphere it imparted, they are not accustomed to the give and take of democracy.

The only unifying factors that remain are geographical proximity and linguistic affinity. The federal army is no longer a united body because it has lost all credibility as an impartial force. There is thus nothing left on which to base federal authority. The six republics will have to decide together what form their future relations should take.

Slovenia and Croatia were the first to declare independence, the most highly rated form of self-determination. Radical Greater Serbian elements saw this as an opportunity to achieve their aspirations, provided that the areas of Croatia inhabited by Serbs can be added to their Greater Serbia. For Macedonia and Bosnia Herzegovina these developments pose a very great threat.

It is rightly feared that the fierce fighting in Croatia could easily spread to Bosnia. Macedonia and Bosnia Herzegovina have now also declared independence or indicated a wish to be recognized as an independent state. The European Community has drawn its conclusions from this.

Self-determination

The right to self-determination is an important democratic asset. It can be given appropriate shape in various ways. In a completely democratic society all population groups enjoy this right without the integrity of the state being jeopardized.

A democracy of this kind, after all, features not only free elections and the fair distribution of seats in parliament but also respect and active support for the rights of minorities and a pluralistically organized society which is not dominated by the state or one party.

Given that in several of the republics the assumption is that a minority is by definition under threat, those republics have clearly not developed a sufficient awareness of democracy.

Secession may be an unavoidable form of self-determination where a territorially distinct population group is oppressed by the state. Being an extreme means, secession must therefore be subject to conditions, as are the classic rights to rebel against authority and to wage a 'justified war'.

In these classic examples the requirements are

- a legal government;
- a just cause;
- that all diplomatic means of arriving at an agreement have been exhausted;
- that the means used and the objective pursued are reasonable;
- that the action to be taken is likely to improve the situation;
- that reasonable compromises should always have priority over resorting to extremes.

Although these rules of thumb do not provide clear-cut solutions, they help those directly concerned to determine their policy, as the following shows.

* The rules give some indication of the nature of governments entitled to secede. The federal constitution gives the republics the right to opt for this form of self-determination. The same right is not granted to provincial, regional or local governments. These entities may well satisfy the minimum requirement for recognition by third countries, i.e. they may be governments with effective and internally accepted authority over a people inhabiting a clearly defined territory. The position of the Yugoslav republics is stronger than that of, say, Kosovo, and its position is, in turn, considerably stronger than that of the Serbian communities in Croatia.

* Initially, the arguments for secession or a declaration of independence (a distinction that must be made in the present situation) were mostly merely economic, indicating a deep distrust of the monetary and development policies of other republics and fear of cultural and political domination. They also assume the absence of any concept of a unified state. United Nations resolutions refer to these forms of self-determination only in the context of oppression (see Annex 3). According to the UN, there is no absolute right to political independence, a view which is not disputed by the European Community

or its Member States. The province of Kosovo thus has stronger arguments in this respect than the republics of Slovenia and Croatia.

* The emphasis on the use of diplomacy is intended to preclude overhasty decisions. In this specific case it meant that all concerned should take full advantage of the three-month period set aside for political solutions to be sought. If necessary, they were to be prepared to extend this period. There is, of course, no place among such solutions for proposals for any kind of agreement that ignores the rights of such vulnerable republics as Bosnia Herzegovina. The partition of this republic to the benefit of Serbia and Croatia would be an illegal and precipitate act.

By the end of 1991 the European Council had reached the conclusion that efforts to achieve reform of relations between the republics through the usual diplomatic channels had been exhausted.

* The EC bases its position on the requirement that reasonableness prevail. None of the governments must be permitted to subordinate the interests of others totally to its own. There are joint responsibilities that cannot be simply evaded, e.g. respect for human rights and the cultural and ethnic rights of minorities and consideration of economic interests, particularly of underprivileged regions.

In Europe, imbued as it is with Jewish/Christian and humanist values, the practical rule of life is that no man and no people lives for itself alone. This is all the truer where peoples have formed a single state for more than 70 years.

In the European Community the sense of accountability finds expression, for example, in the principle of subsidiarity, which requires the organization of political power to be geared to optimizing justice and solidarity. This principle, which, with other factors, determines the division of powers among various levels of government, has a different meaning in the Yugoslav context.

The Serbian government feels, for example, that a supranational authority is essential if the rights of the Serbs are to be protected. Given the dispersion of the various population groups among the republics, much the same could be said of the Croats. It is in any case very worrying for the Republic of Serbia and the Republic of Croatia to set themselves up as the legitimate representatives of the interests of all Serbs and all Croats, respectively, wherever they may live. Such aspirations are a source of violent conflict and represent a serious threat to Bosnia Herzegovina and other regions.

At the very least, any reference to ethnic background in the constitutions should be very carefully scrutinized to see whether it relates to open or hidden ambitions.

* There has been a constant lack of objective analysis of the advantages and disadvantages of alternative arrangements for mutual relations. Such terms as loose confederation, alliance, economic community, customs union (with free movement of persons, goods and services), Swiss model, Benelux model and European Community model are used without a great deal of analysis.

It was not until the Hague peace conference that consideration was given to the economic and monetary interests which the republics still have in common

and how the system of public law can be upheld in Yugoslav territory. For citizens of the European Community the term 'independence' is certainly far from clear. After all, the Community's directives and regulations carry more weight than the constitutions of the Member States. The struggle for 'sovereignty' has been lost long since, with the establishment of a European legal order, to which we attach far more value.

* The establishment of a legal order of this kind in Yugoslav territory, in conformity with the views of the partners, must never be regarded as something that can no longer be achieved. It is obvious from experience elsewhere in Europe that self-determination can take very many forms.

PREMISES FOR THE COMMUNITY'S POLICY

The establishment and enforcement of international law and especially of public law in Yugoslav territory is of pivotal importance. The latter has been crudely violated by armed gangs and by units of the federal army acting without orders and therefore illegally.

The Community is entitled to expect the authorities on Yugoslav territory to abide by the rules of thumb listed under 'Self-determination'. Conversely, the Community must understand that Yugoslavia no longer exists in its old form.

If a just settlement is to be achieved,

- a vigorous policy designed to prevent the use of force must be adopted. This will mean providing political, staffing and material support for the deployment of UN peacekeeping forces in war-torn areas and regions threatened by hostilities on land or at sea

- democracy and human rights must have the highest priority. As this includes the right to economic development, the Community will have a strong preference for a solution to the Yugoslav problem which provides the best guarantee that these rights will be respected. Developing a democratic mentality and society is at least as difficult as introducing a social market economy that functions satisfactorily;

- emphasis must be placed on balance in the protection of the interests of the republics and population groups concerned. This means giving additional support to the partners at greatest risk, viz. the population in war-torn regions of Croatia, and threatened regions in Bosnia Herzegovina, Kosovo and Vojvodina;

- there must be strict adherence to the principle of non-discrimination and thus drastic controls on ethnic and nationalist motives. Efforts to establish 'ethnically homogeneous' republics or cantons (in Bosnia) are unworthy, ignore essential criteria that should govern political decision-making and reveal a bureaucratic policy based on illusion. Such efforts would greatly aggravate the human tragedy in Yugoslavia. If the Community gave such efforts any recognition, considerable damage would, of course, be done to relations within the Community. It is to be hoped that Europe has learnt its lesson from ethnic thinking of this kind;

- the Community and its Member States must speak with a single voice, since the Community's credibility is at stake. Each Member State has its own interests and its own likes and dislikes where the various republics and areas of Yugoslavia are concerned. This gives others, and particularly the individual Yugoslav republics, opportunities to manipulate the Community's Member States and to play one off against the other. Yugoslavia must not be allowed to cause discord and distrust within the Community. This would seriously undermine the EC's importance as a peacekeeping factor;

- a cohesive policy must be pursued towards Yugoslavia and other problem areas on which Community policy needs to be established (the Baltic States, etc.). Differences of policy must be traced back to differences in international law and politics. European policy must be clear and predictable.

COMMUNITY POLICY ON YUGOSLAVIA

- The beginning

The Community's efforts were initially welcomed in all the republics. Its intervention is seen as the only way out of the present situation. The rapid action initially taken by the Community Troika was criticized by some Yugoslavs because the Community took too simplistic a view of the possibility of maintaining the present federal structure. European politicians, however, in common with the Hungarian Government, felt anything that might lead to escalation must be avoided.

- The moratorium

The three-month moratorium that began on 1 July was accepted by all the republics and the Federal Government. Slovenia had most trouble with it, because it had to revoke a number of implementing measures. The interpretation of the moratorium has left much to be desired. The intention was, of course, to restore the status quo ante at all levels of government and in all areas of policy. In other words, there should be full participation in the Federal Presidium, the Federal Government and the parliaments, Slovenia's and Croatia's exclusion from the central banking system should be rescinded, the republics should stop levying import duties on each other's products, etc. However, there were serious doubts about the legality and democratic substance of the federal organs of state.

The moratorium created the potential for the peace conference in The Hague, which was intended not only to solve the practical problems posed by peaceful partition but also to determine the form of future mutual relations, as there would otherwise be no peaceful partition. This has, unfortunately, proved to be the case.

Slovenia was the first domino to fall, and Yugoslavia has broken up in chaos. This has had not only political implications but also serious consequences in the human sphere.

The nationalist movement that is dominant in Serbia is making full use of the power vacuum to increase its territory or (even more to its advantage) Serbian hegemony over what remains of Yugoslavia. This is an unacceptable solution because it is detrimental to the position of minorities in the longer term.

The Serbian Government initially said that it was not seeking to increase its power in that way. This promise has not been reflected in official policy.

The moratorium has not been respected, and it has not been used to seek forms of equitable mutual relations. The governments of Serbia and Croatia do not have complete control over the radicalized militias. Under these conditions it is difficult to enforce a cease-fire.

The President of the Federal Republic of Germany was quite right when he said, in his address to the Council of Europe: 'Violent separatist tendencies fuelled by ethnic, religious or social discord, are as much a threat to democracy as centralist dictatorships which seek to suppress the right of national and religious self-determination by violent means.'

- The arms embargo

The effect of the request not to supply arms to the parties to the Yugoslav conflict is debatable. Arms can easily be supplied by sea, and there are other ways and means. Despite the embargo, it appears that large quantities of arms are being supplied by the Lebanese militias among others. It is difficult to control the domestic manufacture of weapons, and the presence of a heavily armed and partisan Federal Army. The arms embargo is having a selective effect, to the advantage of the Serbs. At the very least there also need to be measures to prevent the domestic manufacture of arms. A large proportion of the arms industry is located in Bosnia Herzegovina; it provides employment for some 100 000 people. The Bosnian Government wishes to convert the industry to civil production. This would serve the additional purpose of freeing it from the influence of the federal army.

- The Community observers

The observers were at first welcomed by all the republics. However, their territorial mandate was too limited. It was only at a later stage that they acted as a preventive factor (e.g. in Bosnia Herzegovina). For the people they have been a symbol of international involvement and of security. And they have in fact been used to back the authority of the governments in ensuring compliance with the moratorium. They were also expected to prevent the use of force. Their presence was therefore required wherever violent conflicts occurred or were likely to occur. Increasing the number of observers and extending their mandate was thus an obvious step. Unfortunately the Serbian Government has refused to support any stepping up of observer activity.

As the federal army saw the presence of observers as an encroachment on its own role, it had most objections to any extension of their mandate. They were not inspectors with the power to issue commands. Nor indeed was this advocated by the governments of the republics. The Community did not, moreover, aspire to go any further. Yet there are politicians in Yugoslavia who told us that those who proscribe violence must guarantee security. It was on that basis that reference was made to a Community peacekeeping force. Far less was expected of the CSCE. Nevertheless, the presence of observers in all the conflict areas was a test of the good faith of the republics.

- Economic pressure

The Community has made full use of the economic and financial instruments at its disposal to make the warring parties see reason: The cancellation of the association agreements and the promise of financial support on a large scale

in return for cooperation do not seem to have made enough impression so far. Selective revision of these measures for exerting pressure has further increased the economic isolation of the republics of Serbia and Montenegro. Economic boycotts are not easy to implement. The Yugoslav government has long pursued a policy of economic self-sufficiency, and there is no way of guaranteeing that sanctions would hurt those they are intended to hurt. However, these have never been decisive reasons for rejecting a boycott; it therefore remains an option.

- Military intervention

If the EC had a defence policy and a rapid deployment force (possibly in the context of the WEU), a threat might have served some purpose. Yet intervention by land forces is not easy if it does not have the support of the parties involved. The federal army is strong and the soldiers are trained in guerrilla warfare: intervention would not result in swift military successes. Thought should also be given to the effect on future relations with and within Yugoslavia.

Using naval units to prevent the bombardment of coastal towns or to keep the sides apart is not something that has been openly discussed. It would present fewer technical problems and would help achieve stalemate.

- Policy on recognition

The right to self-determination, even in the form of secession, does not mean that third countries are bound to recognize the republic concerned. However much republics might be provoked by the inflexibility of their negotiating partners, the EC and various other governments (including the UN) took the view that a unilateral declaration of secession could not be accepted as it stood. Until the details of future relations among the Yugoslav governments had been settled, recognition could not be discussed.

Recognition can, however, become necessary if diplomatic channels have been exhausted and recognition seems likely to produce positive results.

- The peace conference

The peace conference has been concerned hitherto with the more long-term aspects of the conflict: the question of minority rights, openings for economic links between the republics and the search for possible new structures. The EC has been faced with negotiating partners who regard the conference - or its failure - merely as a means of safeguarding their own limited self-interests. Mutual trust has reached an all-time low as a result of the civil war.

ASSESSMENT 1 (up to January 1992)

The Yugoslavian crisis has been a harsh reminder to the EC of the fact that it is not a superpower in the political and military sense, although it does enjoy such status in economic terms. The only way in which the EC can exert power is through diplomatic and economic/financial instruments. The diplomatic instrument took the form of consistent efforts to mediate between the parties. Refusal to recognize Slovenia and Croatia was a means of exerting pressure on these Republics, while pressure was put on Serbia by not excluding the possibility of recognition. Unfortunately, a single EC Member

State objected to the use of this important lever, as a result of which it lost credibility. This discrepancy between political and economic power makes the EC a disappointment when it seeks to resolve and control conflicts. It has recently proved extremely difficult to maintain a common foreign policy line - indeed, it is only in official documents that this has been achieved. There has been considerably more agreement in the financial/economic field. However, it is most disappointing for outsiders that the military forces of the EC Member States cannot easily be deployed to stop a civil war.

Only a small proportion of NATO's capacity is suitable for such operations. Too little thought is being given to this in overhauling NATO. The WEU is, in theory, empowered to operate on NATO territory, but is not yet subject to EC authority. In a world freed from East-West tensions, in which, thanks partly to the CSCE, we can look forward to more cooperation, there need not be so many objections to the deployment of military force in order to end conflicts. At the beginning of the Yugoslavian crisis, the EC could not simply assume that the Soviet Union, as it then was, would agree to military intervention. Discrepancy between expectations and what is actually possible can adversely affect international security. This is why the EC needs practical, democratically controlled powers in the field of international, political and military affairs. Until such time as this happens, the outside world will know that the EC is a paper tiger.

CONTINUATION OF POLICY

The aims and criteria of EC policy are laid down in detail in the Treaty provisions for the Convention (4 November 1991), which was drawn up in the context of the peace conference (Annex 5), and in the Guidelines on the Recognition of New States in Eastern Europe and in the Soviet Union and the associated Council Declaration on Yugoslavia (17 December 1991) (Annex 6).

The Treaty Provisions

Relations between the Republics are to be based on:

- a. the sovereignty and independence of the Republics;
- b. freedom of association;
- c. a common state for those republics that want one;
- d. comprehensive regulations on human rights and minority rights, to include monitoring of enforcement;
- e. European involvement;
- f. recognition of the republics within their existing borders.

The republics must recognize that cooperation among themselves and entering into a free association will improve their prospects of closer relations with the EC. The peace conference text is particularly strong and detailed on human rights and minority rights. It provides for self-government in regions where minorities make up a large proportion of the population. Mention is made of a local, representatively staffed police force, extensive cultural rights and the right to proportional representation in the governments of the

republics concerned (following the Belgian model). Equal rights are thus guaranteed for all population groups. According to this proposal, self-governing - and thus ethnically mixed - regions should be demilitarized for good. Provision is made for permanent international monitoring of the enforcement of these rights. An appeal body is to be set up in the form of a Court of Human Rights comprising equal numbers of judges from the republics and the EC Member States, and operating under EC presidency. According to the Treaty Provisions, other possible areas for cooperation are:

- a. economic cooperation in the form of a customs union or even an internal market with the associated monetary agreements (parallel to the European Monetary System) and harmonization of macro-economic, fiscal and social policy. This would require the establishment of a Council of Ministers for economic cooperation;
- b. consultation and ad hoc cooperation on foreign policy issues;
- c. combating international crime, terrorism and drug trafficking.

Each of these forms of cooperation would have a Council of Ministers, and mention has even been made of a parliamentary body.

The Guidelines on the Recognition of New States

These guidelines and the attached declaration reiterate a number of demands made in the Treaty Provisions, viz:

- respect for the following principles: the rule of law and human rights;
- inviolability of all borders;
- willingness to settle disputes through agreement or arbitration;
- provision for minority rights, in accordance with the Treaty Provisions;
- acceptance of the other proposals put forward in the Treaty Provisions.

Further provisions stipulate that:

- political units resulting from aggression shall not be recognized;
- recognition policy shall take account of the impact on adjoining states;
- support for the work of the UN Security Council and the continuation of the peace conference shall constitute a condition for recognition;
- the republics must guarantee, in their constitution and policy, that they have no territorial claims on adjoining EC Member States and that they will not make hostile propaganda against them or use the name of their republic to that end.

Un troops and EC monitors

The UN's mandate came into effect in mid-March 1992 with the stationing of 'blue berets' in the conflict areas of Croatia. Bases have been set up in the Bosnian cities of Sarajevo and Banja Luka. The fifteenth ceasefire facilitated by the stationing of the UN troops, is being respected quite satisfactorily in Croatia. The military presence of the UN on Yugoslav territory is having a very positive influence. The disarming of the irregular militias and the demilitarization of the conflict areas is to be carried out by, and under the supervision of, the UN troops. This is not an easy task given the widespread practice of carrying arms and the fact that there is no longer any mutual trust.

The EC monitors can devote more time to the prevention of conflict, notably in Bosnia and Herzegovina. Because of their role in strengthening security, these monitors are very popular with the local people. For as long as there is a threat to security, there is every reason to keep the EC monitors in the region.

Recognition of Slovenia and Croatia

An EC committee of enquiry headed by a French lawyer, Mr Badinter, has examined the requests for recognition by four of the six republics to see whether the 'Guidelines' are respected. Slovenia has satisfied all the criteria. Croatia has been asked to bring its constitution in line with the rules contained in the second part of the 'Treaty Provisions for the Convention'. The government of Croatia has responded positively; it will respect the rights of minorities in accordance with the 'Treaty Provisions'.

Recognition of Bosnia Herzegovina

The Badinter report concluded that there should be a referendum in Bosnia Herzegovina to see whether the demand for independence was supported by the people. The referendum was held on 29 February and 1 March 1992 under international and EC supervision

According to the official results, turn-out was 64.31% and 99.44% of those voting backed the government. In view of the opposition from the SDS, the Serbian party, this result is better than was expected. Fears had been expressed that turnout would be under 60%. Enquiries suggest that a significant minority of Serbs (20%) took part in the referendum. Observers report that the referendum was fair. Given the EC's attitude, there can be no doubt as to its legality.

Two trends emerged from the negotiations between the Muslims, Serbs and Croats on the constitutional arrangements in Bosnia Herzegovina. The SDS wanted a confederal solution, with the republic divided into three autonomous regions determined by the ethnic complexion of the largest group. The central government would play only a subordinate role. There are two objections to this approach: firstly, the intention was evidently to establish dictatorship by the majority in each of the 'cantons'. The minorities would be deemed to be subject to the majority. Secondly, a confederal approach could rapidly lead to the disintegration of Bosnia Herzegovina since the arbitrarily drawn borders of the ethnic (majority) areas would have made it unworkable. The EC cannot possibly go along with this. The Croats have floated the idea of dual nationality. Croat citizens could opt to have Croatian as well as Bosnian citizenship. This would confer on them a number of benefits in the Republic of Croatia. Here, too, there are two major objections: firstly, the Republic of Serbia could make the same offer to Serbs living in Bosnia Herzegovina. The upshot would be continuing interference by Serbia and Croatia in Bosnia Herzegovina, and hence a continuation of the present tension. Secondly, it is wrong per se to use this approach as a means of concluding cultural and economic agreements which are discriminatory in nature. An independent republic cannot permit unequal treatment of its citizens.

Yet the language used by the Badinter report lends credence to this approach. The report talks of the freedom of citizens to choose their own nationality. Seen in context this means freedom to identify with an ethnic and cultural

group. However, the Croatian offer is concerned with a form of citizenship which would be available to citizens displaying certain ethnic features. The offer follows naturally from the aspiration of the former Croatian and other constitutions to extend the responsibility of the state to encompass all members of a given ethnic group, both those living within and outside the republic in question. The EC has rejected this approach and insisted on changing those passages of the constitutions where such ambitions are expressed. The offer of dual nationality (= citizenship) circumvents the EC's requirement, and this is one of the reasons why the EC cannot go along with it.

In view of the political aspirations of various leaders of ethnic groups, it is important for the EC to monitor very closely inclusion of the 'Guidelines' and the second part of the 'Treaty Provisions' in the Bosnian constitution and legislation. The separation of the powers of the central government and of the regions will have to be determined in the light of an objective appraisal of the effects on the well-being of the people. Blackmail with violence is quite unacceptable, of course. Given the ethnic mix it is better to make Bosnia Herzegovina a state of citizens enjoying equal rights at all levels and in all regions rather than a state made up of ethnic groups.

Yugoslavian Macedonia

Although the Badinter report sees no impediment to the recognition of the Yugoslavian republic of Macedonia, the Greek government and Greek public opinion are fiercely opposed to such a move. The republic in question is in a region which has seen transfers of population and civil war this century. Greek Macedonia makes up about half of the geographical region of 'Macedonia'. It is also the part which is most closely bound up with the history of Greece. In Yugoslavian Macedonia, by contrast, roughly 60% of the population speak a Slavonic language and 33% speak Albanian.

The Greeks feel that the Yugoslavian republic does not have the right to monopolise the name of Macedonia. The Greeks are also only too well aware that territorial claims have been made on Greek Macedonia by the Yugoslavs.

The Greek government is willing to support recognition, but not under the name of 'Macedonia'. The government of Yugoslavian Macedonia has now satisfied the EC requirement of relinquishing any territorial claims and of refraining from any propaganda which might cause problems for the Greek government. A satisfactory solution to this issue will have to be found through the process of recognition and the peace conference. Besides the Greek objections there are objections on the part of the Albanian speakers. This substantial minority has pointed out that its rights are far from being guaranteed despite an undertaking by the government of Yugoslavian Macedonia to be guided by the second part of the 'Treaty Provisions'. Moreover, it is not clear why the republic should be named after an ethnic minority group, which makes up only about 60% of the population. A different name might express the equal rights of the Albanian speakers while at the same time meet the objections of the Greek.

ASSESSMENT II

The Federation no longer exists.

The treaty on which the Federation is based has ceased to be valid, following the secession of Member republics. There is thus no such thing as a 'left over Yugoslavia' comprising - for instance - Serbia and Montenegro. These two republics cannot be regarded as the self-evident successors of the Yugoslavian Federation. This will have far reaching implications for existing Yugoslav delegations to international bodies. At all events, it would be unfair to mete out unequal treatment to the Republics, unless this were justified by their attitude to the criteria for recognition.

The EC is now abandoning its diplomatic lever of postponing a judgment on whether or not to recognize republics. This instrument could not have been used ad infinitum anyway. The general invitation to the republics laid down in the guidelines was the fairest way of settling the recognition issue.

Minority rights

The Treaty Provisions have produced a constitution laying down human rights and minority rights for the Republic of Croatia, in response to the EC's request, which incorporates in detail the requirements laid down in the provisions. If minorities are so treated in all of the republics' constitutions in line with the 'Treaty Provisions', there would be no reason for ethnic tensions and fear. The Slovenian Constitution also provides substantial guarantees of minority rights.

The Macedonian Constitution provides for self-government for local communities, giving the minorities considerable formal rights. It also mentions an inter-ethnic advisory council to which parties can appeal. However, the large Albanian minority in Macedonia is still not reassured that these fundamental rights will be reflected in legislation; the majority of the group did not take part in the referendum on the independence of Macedonia. The Government of Bosnia Herzegovina has proved to be outstandingly cooperative and has, together with the government of Macedonia, put forward a number of proposals to prevent ethnic conflicts. Maintaining internal peace in Bosnia Herzegovina is most important for the prospects of peaceful cooperation between the republics and ethnic groups on the territory of what used to be Yugoslavia. This would seem to be a model to follow in the context of the peace conference.

The formal regulation of human rights and minority rights should in all republics go hand in hand with practical policy bearing the hallmark of a democratic state based on the rule of law. Insistence on separate declarations of loyalty by minority groups and rather patchy press and media freedom have no place here. There is a need to examine the reasons for the feelings of anxiety to which minority groups (in Macedonia for instance) are prey.

Meanwhile the oppression of the Albanians in Kosovo continues. The radical changes mentioned above have yet to be incorporated in Serbian policy and the Serbian Constitution. Kosovo was, and still is, the main touchstone of credible non-discrimination policy.

The European Parliament has already advocated the establishment of a court for minority rights, which would have the function of monitoring the enforcement of such rights and providing arbitration. The common responsibility of the EC and the republics concerned would find expression in the form proposed by the peace conference. At the present stage of European development, the

restriction of the mandate to the territory of former Yugoslavia is an advantage.

Diversity and freedom of the media

The media in the different republics present a very one-sided picture of events. They stir up the public rather than offering an explanation. Many newspapers have in effect been 'nationalized' by the different republics, supposedly as a prelude to 'privatization'. Opposition newspapers are virtually non-existent. Since the onset of hostilities, the duration and timing of broadcasts by political parties have been very unfairly distributed in some republics. Freedom to disseminate information has decreased still further. Bosnian TV in Sarajevo was threatened by Serbian gangs. Broadcasts to Belgrade are blocked. In Croatia, independent radio stations lead a very uncertain existence. Yet the plurality of the press is a cornerstone of democracy. The EC should make efforts to increase the scope for independent media. The citizens of the republics must be able to hear the views of the other party so that they can see through attempts at manipulating them, for instance, through radio and TV broadcasts transmitted to the republics and support for bona fide independent stations.

Opposition forces working for peace in the various republics must also be given a hearing in the context of the peace conference, to enhance their status and influence. The EC can help to encourage dialogue between free citizens' organizations and the churches in order to create more grass roots support for peacekeeping activities.

Frontiers

The practice of describing frontiers between ethnic groups as 'natural' and frontiers between administrative units drawn for various other reasons as 'artificial' is highly questionable. Rather, tearing apart ethnically mixed communities (and families) is always an artificial process imposed from the outside. The people in the devastated towns and villages did not ask for this so-called 'restoration of natural frontiers'. Respect for the present frontiers is based on history and a recognition of the past. This does not apply to Yugoslavia alone. If the borders are changed in that region there may be no end to the redistribution of land and the integrity of Bosnia Herzegovina may be the next victim, with all the dramatic consequences that entails. The guidelines are thus quite right to state that the impact on adjoining republics must be taken into consideration when republics are recognized.

For this reason the EC has decided against recognizing administrative units which represent the outcome of aggression. This is a powerful statement opposing the declarations of independence by mainly Serbian communes on Croatian territory. Their rights can be accommodated in full within Croatia's new constitutional provisions. The same applies to mainly Serbian or Croatian communes in Bosnia Herzegovina.

Kosovo

Respect for recognized frontiers and the interests of adjoining states is also an important factor as regards the EC's attitude to Kosovo.

Various members of the European Parliament have already reported on violations of human rights in this previously autonomous province (see Annex 7), where relations between the Albanian majority and the Government of the Serbian Republic have become very tense. In terms of both classical freedoms (freedom of the press, political rights) and fundamental social rights (right to work, health care and education) Albanian citizens are the victims of extensive discrimination. The Government of Serbia is reported to be following a policy of oppression. It claims its policy is a reaction to separatist activities.

For the Serbs Kosovo has a very special symbolic value rooted deep in Serbian history. However, a view of national history, however deeply rooted, can never justify the oppression of other population groups. The larger moderate parties in Kosovo did not intend to press for secession. The European Parliament has honoured the most constructive attitude of the Albanian leader, Dr. Adem Demaci with the Sakharov Prize for defenders of human rights. In theory, an agreement on the basis of the inviolability of the borders of the Serbian Republic and the obligation to set up a fully democratic system in Kosovo, in accordance with the treaty provisions of the Peace Conference is a possibility. However, it is quite obvious that the rightful representatives of the people of Kosovo will opt for independence if the mainly Serbian communes in Croatian territory do so first. As long as Kosovo is the victim of oppression in the form of official government measures, it has well founded arguments, recognized by the UN, for self-determination in the form of secession. These arguments are considerably stronger than those of the above-mentioned Serbian communes.

Vojvodina

Restoration of the autonomous status of Vojvodina follows more or less from the requirements of the 'Treaty Provisions'. The removal of the special political rights of this formerly autonomous province has put pressure on the Hungarian minority. Since there is nothing automatic about any arrangements with Serbia, the latter, too, will have to satisfy the requirements which the other republics have to satisfy before there can be any question of privileged relations with the EC. Vojvodina, like Kosovo, is a test of the democratic credentials of the Serbian republic.

The armed forces

Since the conflicts began in Yugoslavia, the Federal Army has been labelled the last pillar of the communist regime. It was indeed the last centrally organized power in the crumbling federation. Unlike its counterparts in democratic states, it has also played a distinctly political role, having been one of the founders of communist Yugoslavia.

Furthermore, it has always been argued that the army largely consists of and is led by Serbs. Since the beginning of the civil war, non-Serbs have increasingly left the army. The process of 'Serbianization' has led to an unacceptably partisan approach. Once the army leadership ceased to obey state authority and the Federation itself disintegrated and ceased to function, the Federal Army lost its legality. This is why no mention is made of it in the Treaty provisions. The army is to be dissolved in an orderly fashion, taking into account the various interests involved, within the framework of the Peace Conference and under the aegis of the UN. There is, of course, no longer any legal basis for calling up conscripts to serve in the Federal Army.

A problem which is at least as urgent is the disarmament and dissolution of the irregular militias, which constitute the main threat to the cease-fire.

Whatever the circumstances, the armed forces must obey the instructions and orders of the governments of the republics where they are stationed. It must be possible to identify the commanders of individual units who refuse to comply. War crimes must not go unpunished a priori.

The regions involved in the war must be demilitarized. This also meets one of the requirements of the treaty provisions, which calls for the permanent demilitarization of the ethnically mixed regions, where the UN peace keeping troops are also stationed. These troops, also have a useful role to play in other areas subject to ethnic tensions, particularly in Bosnia Herzegovina. If necessary, UN peace keeping marine units can be deployed to separate troops at sea.

The nature of relations between Republics

The Treaty provisions outline two forms which relations between republics might take: a customs union, and an economic and monetary union for the republics which so wish. These proposals are an obvious choice, given the analysis of what is economically desirable. However, entering into such agreements requires a reasonable degree of mutual trust. Such trust exists between Serbia and Montenegro, while there may also be an adequate basis for structural cooperation between Slovenia and Croatia. Bosnia Herzegovina and Macedonia have cooperated at political level to bring the civil war to an end and to maintain a policy of equidistance vis-à-vis the warring parties. It is not the EC's task to impose any form of cooperation on the republics. All the Peace Conference can do is to set up a framework within which economic and political solutions can be sought, with a view to finding a reasonable solution to the problems resulting from the disintegration of Yugoslavia. The outcome may be groups of republics cooperating with one another. The treaty provisions rightly observe that the more successful the republics are in finding solutions - possibly of an institutional nature - within the framework of the Peace Conference, the better their prospects of joining the Community.

The interests of the various population groups in upholding minority rights are so strong, however, that it is vital to win acceptance for a common institution such as the proposed court. EC involvement with such a court is, for the same reason, indispensable.

Democracy

In its relations with the states which have thrown off Communist dictatorships the EC has always stressed the introduction of a (social) market economy. This is indeed a major precondition for fruitful cooperation. However, introducing a market economy is a particularly difficult undertaking. Even more difficult is the introduction of a fully-fledged democracy based on the recognition of equal rights for its citizens, the protection of minority rights and human rights and an appreciation of the intrinsic nature of, and limitations on, government authority.

This depends on the creation of a civilian, fully pluralistic society. This in turn will determine the success of a social market economy. The Yugoslavian episode has made clear that the fundamental requirement for

associate or full membership of the EC is acceptance of the democratic culture of the Member States. This culture is the basis for the European integration which has taken place hitherto in the EC. If this democratic mentality is lacking, there can be no prospect of EC membership. It is important to be absolutely clear in this respect, not simply for the sake of the future of the EC but also - and more importantly - for the sake of the people of the states of Central and Eastern Europe.

CONCLUSION

The existence of the European Community gives rise to high expectations in third countries. However, EC structures are such that they are bound to fall short of such expectations. The EC's efforts have proved effective from a number of points of view. The Brioni Agreement saved Slovenia from war. The Peace Conference shows that the governments of the republics can be persuaded to think about their future and the interests for which provision needs to be made in the future. The results of the conference are encouraging.

Whilst the EC observers were unable to prevent the prosecution of war in the disputed regions, they were seen in Bosnia as a peacekeeping factor; large numbers of them would have been welcomed there. The arms embargo has had no measurable effects. The selective severance of economic relations with the EC may have done something to increase war-weariness. It is therefore important that economic forms of pressure, including boycotts, remain available. Widespread international opposition to violence has had an influence on sections of public opinion. The valuable activities undertaken by the European churches, other religious communities and free social organizations and associations deserve a mention in this context.

It is, however, clear that the deployment of peace keeping troops remains a task for the UN, which has acquired greater authority and stature thanks to the end of the East-West conflict.

The role played by the EC in the Yugoslavian crisis requires deeper analysis in order to draw conclusions regarding the further development of Community structures and to examine how, following the convergence of economic policy, further progress can be made on the convergence on the foreign policy of the Member States.

MOTION FOR A RESOLUTION (B3-1862/90)

pursuant to Rule 63 of the Rules of Procedure

by Mr BLOT

on the growing danger of civil war in Yugoslavia and attempts at intimidation by the Communist Government of Serbia

The European Parliament,

- A. whereas the peoples of Slovenia and Croatia have cast off the Communist yoke, which is not yet the case with the people of Serbia,
- B. whereas the Slovenian and Croatian Parliaments have proclaimed that they want autonomy within the framework of a confederation,
- C. having regard to the threats, military and otherwise, made by the Communist Government of Serbia to these two republics,
- D. deploring the West's rejection of every request by the Slovenian and Croatian Governments for assistance in the face of attempts at intimidation by the Serbian Communists and the Yugoslav federal authorities,
 - 1. Calls on the European Community to establish diplomatic contacts with the Governments of Slovenia and Croatia;
 - 2. Wishes a line of credit to be entered in the European Community's 1991 budget to assist the states of Slovenia and Croatia in organizing a market economy and developing trade with the other free states of Europe;
 - 3. Cautions the Yugoslav Federal Government against the impending danger of civil war, which would be the inevitable result of military aggression against Slovenia and Croatia.

MOTION FOR A RESOLUTION (B3-1941/90)

pursuant to Rule 63 of the Rules of Procedure

by the following Members: **AVGERINOS, PACK and LARONI**

on the situation in Yugoslavia

The European Parliament,

- A. having regard to the political, economic and social situation in Yugoslavia,
 - B. having regard to Yugoslavia's links with the European Community and with the Balkan countries,
 - C. having regard to the geographical situation of Yugoslavia and its importance for the security of Europe as a whole,
1. Calls on its committee responsible to make a study of the political, economic and social situation in Yugoslavia.

MOTION FOR A RESOLUTION (B3-2117/90)

pursuant to Rule 63 of the Rules of Procedure

by the following members: HABSBERG, BRAUN-MOSER, FRIEDRICH, MALANGRE and POETTERING

on relations between the EC and the Republics of Croatia and Slovenia

The European Parliament,

- A. acknowledging the progress towards democracy in Croatia and Slovenia demonstrated by the free, multi-party elections in April and May 1990,
 - B. satisfied that human rights are now being respected in these two states,
 - C. in the hope that this example will soon be followed in the other Southern Slav republics,
 - D. concerned that certain forces in Yugoslavia are still attempting to hinder the free expression of the will of the people, and are still oppressing ethnic groups, particularly in Kosovo,
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- 1. Calls on all forces in Yugoslavia to use only peaceful means to solve the problems they face;
 - 2. Reminds the Yugoslav Government that cooperation with the EC is dependent on progress towards democracy and respect for human rights and the rights of minorities;
 - 3. Calls on the responsible Community authorities to support the democratic forces in the Southern Slav area.

O P I N I O N

(Rule 120 of the Rules of Procedure)

of the Committee on External Economic Relations
for the Committee on Foreign Affairs and Security

Draftsman: Mr Giorgio ROSSETTI

At its meeting of 30 April 1991, the Committee on External Economic Relations appointed Mr Rossetti draftsman.

At its meetings of 20 and 27 February 1992 it considered the draft opinion.

At the latter meeting, it adopted the conclusions as a whole unanimously.

The following were present for the vote: De Clercq, chairman; Stavrou, vice-chairman; Rossetti, draftsman; Benoit, de Vries, Guillaume, Mihr, Miranda de Lage, Sonneveld (for Lemmer) and Spencer (for Moorhouse).

Your draftsman draws attention to several opinions which the European Parliament has delivered in recent months on the political situation in what was Yugoslavia and the new sovereign states which were formerly part of it. A more extensive and detailed assessment of the recent developments in the Balkans is to be found in the Oostlander draft report, which provides a framework and puts forward suggestions which are broadly acceptable. The specific aim of this draft opinion is to examine the current state of the economic and trade cooperation between the European Community, Yugoslavia and the new entities, such as Slovenia and Croatia, which have proclaimed their independence. In making proposals, however, it will be necessary to bear in mind the political developments in the Balkans.

(1) RELATIONS BETWEEN THE EEC AND YUGOSLAVIA IN THE PAST.

It should be noted that the first general trade agreement with the Socialist Federal Republic of Yugoslavia was concluded in 1970. In 1980, after the death of President Tito, in order to alleviate the difficulties (political, institutional and economic) that Yugoslavia was already facing, an extremely important economic and trade cooperation agreement was concluded, which also incorporated a financial protocol. These instruments were updated and subsequently extended in 1985 and had produced positive results, especially as far as trade was concerned. By the end of the '80s, Yugoslavia, which in 1979 had had a trade deficit of almost \$ 2 bn had achieved a balance, in fact even a slight surplus, in its trade with the European Community, as well as having experienced a trade boom.

Most exports had been completely liberalized, and the authorities were very lenient towards the overshooting of quotas for those few products which were still subject to EEC import restrictions.

(2) However, this was not enough (and nor could it have been) to prevent an economic crisis which has worsened over the years and which was aggravated by the crisis of self-management and of the political system. In recent years Yugoslavia has begun having increasing difficulty in honouring its foreign debt payment (in excess of \$ 18 bn), in curbing inflation which has reached four figures, and in solving the problems of rising unemployment which was already extremely high (over 1,300,000 unemployed in the mid-eighties, in a population of 22 million). In these circumstances, Yugoslavia was admitted to the PHARE programme in 1990 and, in the negotiations for the renewal of the cooperation agreements and the financial protocol had obtained, for the first time, as well as a slight increase in the credit lines, a grant of ECU 77 million to reduce the discount rates. This agreement, which was negotiated a year ago, has never been ratified owing to the political crisis and the outbreak of war.

(3) The attempts at reform by the last of the federal governments, that of President Markovic, came to nothing, partly because, as a result of the division of powers, the individual republics modified and undermined the decisions taken by the centre. The problems of institutional balance, of the relationship between the republics and the centre and between the republics themselves, thus became increasingly serious. In the wake of the upheavals in Eastern Europe during 1989, the political debate, the approach to political pluralism, to democratic elections and to a market economy, caused a further widening of the rift between the various republics. Two in particular - Slovenia and Croatia - were markedly pro-European and wished to establish the closest possible links with the Community and even dreamed of accession. In

other republics, the processes of democratic revival involved more talk than action; in fact, in certain cases, there was an increase in the violation of basic civil and human rights. This was true of Serbia, which repressed all autonomy in Kosovo and Voivodina, 'normalized' the leading group in Montenegro, tried, (unsuccessfully), to dominate Macedonia and Bosnia, and played on the idea of a Greater Serbia to stir up separatist feelings wherever there was a Serbian population, especially in Croatia.

(4) The two referenda which legitimized the republics of Slovenia and Croatia's desire for independence and sovereignty took place at the end of 1990. Secession was not automatic; Slovenia, for example, had allowed itself a six-month margin following this referendum in order to redefine, together with the other republics and with the centre, the new relationships which should exist in a new Yugoslavia. Croatia had basically demonstrated a similar attitude. But there was no dialogue, no willingness for compromise. The actual response was the Federal Army's attempt to occupy Slovenia in the spring of 1991 (a Serbian initiative, orchestrated by Serbians), and the war in Croatia which followed.

However, it would be wrong to ignore the serious mistakes made on all sides (e.g. the nationalistic policy and the refusal to recognize minorities during the first phase of the new Croatian Presidency). The greatest responsibility lies with those who brought about a bloody and absurd war; this was the doing of leading factions which, in order to satisfy their desire for dominance, did not hesitate to stir up nationalism and ethnic rivalry which it will now be difficult to appease. This responsibility is even greater when we consider that for more than 45 years these same peoples, notwithstanding their obvious differences, had found a reason for unity which cannot simply be put down to political repression. Clearly, Yugoslavia cannot be compared to other repressive regimes in Eastern Europe, and its citizens enjoyed numerous rights and total freedom of movement. In addition, anybody who wanted could visit this country, travel around and see what life was really like.

(5) The conflict has had, and is still having, a drastic effect on the economy of the whole region. Trade within Yugoslavia has ground to a halt, tourism - which had come to provide annual revenue of almost \$ 5 bn in precious foreign exchange - was almost non-existent in 1991, there were no harvests, and food was requisitioned for the armies. The banking system has been dismantled, new currencies have been issued in Slovenia and Croatia, and have already been devalued several times in only a few months; inflation is rife in all the republics, especially in Serbia. Industrial output has collapsed, republics such as Slovenia which provided jobs for immigrants from the south and where many people even had two jobs, has been hard hit by unemployment. The freezing of savings in hard currency has resulted in the freezing of emigrants' remittances. The transport system is in chaos. Even if peace is restored it will not be easy and will take time to rebuild the various sectors of the economy.

The economic sanctions approved by the European Community in November and which were subsequently lifted (except in Serbia's case), although only enforced for a short period, may ultimately have jeopardized the limited amount of foreign trade which the republics of former Yugoslavia were engaging in.

(6) All this has had easily foreseeable consequences on foreign trade and is reflected in the former Yugoslavia's trade with its two neighbours, Greece as a whole and the Italian frontier region.

Cross-border trade which stimulated intense commercial activity in the provinces of Trieste and Gorizia and in the border region of the province of Udine (in Trieste alone this was worth over ECU 700 m per year; in the Friuli-Venezia Giulia region as a whole, over ECU 1.5 bn), has collapsed; border crossings have fallen by 65% resulting in a serious economic crisis throughout the border region to which the Community should demonstrate its solidarity. The situation is all the more serious in Greece which is having to use significantly longer routes to other EC countries for trade which used to cross Yugoslavia. Community measures have already been proposed to compensate Greece especially for the transportation of fruit and vegetables, but these measures are patchy and do not go far enough.

(7) The recognition of Slovenia and Croatia by the European Community on 15 January 1992 was tantamount to recognition of the virtually unanimous result of the referenda in the two republics at the end of 1990, and hence a recognition of the fact that alongside the Federal Republic of Yugoslavia, which continues formally to be a subject of international law, despite being undermined by the crisis affecting all the federal structures, two new subjects of international law have emerged.

This therefore raises the question of redefining the relationship between the EEC and the Federation. Given that the cooperation agreement expired in 1990 and that the new agreement was never signed, how should the trade relations with the two recognized republics, and what is left of the former Yugoslavia, be conducted? Who will inherit the financial commitments of the Federal Republic and who will represent it in international organizations?

Given the fragile nature of the cease-fire and the problems facing the peace negotiations, answers are difficult to find and yet the European Community must do more than just sit by and wait, simply concentrating its efforts in mediation at the Hague conference, however crucial such a role may be.

In view of the worsening crisis and the increasingly serious repercussions it is having on the populations, economic measures could provide a crucial incentive for promoting peace and stability in the Balkans.

The REX committee therefore proposes that:

(1) In addition the ECU 10 million it has already earmarked for humanitarian aid, the European Community needs to set up a more substantial aid plan for the sections of the population affected by the war and those hardest hit by the economic crisis which has affected the whole area; in particular practical assistance and support should be provided for those who have been forced to leave their homes and move to transit camps in Croatia, Slovenia and Cervignano in Italy.

(2) The European Community must reaffirm the embargo on arms sales, secure a firm commitment from the United Nations on this matter and emphasize the possibility of an oil embargo being imposed on any party which jeopardizes the negotiations or breaks the present cease-fire.

(3) The European Community should state its intention to give immediate support to attempts at economic recovery in those republics which give tangible proof of their desire for peace during the present negotiations and which have met the conditions of the treaty provisions and have expressed the desire to conclude suitable and genuine cooperation agreements once the peace treaty has been signed.

(4) When drawing up such agreements the European Community will endeavour to promote trade and regional cooperation between the various republics, paying special attention to transport infrastructures, telecommunications, energy supply, environmental protection and the creation of a customs union.

(5) The agreements on cross-border cooperation with the two bordering Community countries and the republics of the former Yugoslavia must be enhanced through the framework of the existing Community instruments, e.g. INTERREG, with the additional aim of assisting the recovery of those areas of the Community which have suffered the repercussions of the Yugoslavian crisis.

(6) Once peace has been concluded, the European Community will take measures promoting the economic development of the minorities in the various republics.

(7) Notes with satisfaction the Community's decision to request, within the next few weeks, a mandate to negotiate a specific cooperation agreement with Slovenia, and firmly supports this move.

(8) Depending on developments in the situation, the European Community will be prepared to consider the possibility of beginning negotiations on a European association agreement, with those republics which demonstrate that they meet the requirements for such agreements.