

## Recent history

Serbia, Montenegro and Bosnia and Herzegovina (BIH) were all (along with Croatia and FYR Macedonia) formed as a result of the break-up of Yugoslavia in the 1990s. BIH declared its independence from Yugoslavia in 1992, following a referendum. This break-up sparked conflict among the three large ethnic groups within the federation. Bosniaks and Croats generally favoured independence, whereas Bosnian Serbs, supported by the Serbian government, wished for a union with Serbia. Further conflict later erupted between the Croat statelet of Herzog-Bosnia and the Bosniaks. The wars lasted until the intervention of NATO and the signing of the Dayton Accords in 1995, by which time an estimated 100,000 people had been killed, many in acts of ethnic cleansing.

Under the Dayton Accords, BIH was administratively decentralised and divided into two entities, the Federation of Bosnia and Herzegovina and the Republika Srpska. Central government is **consociational**, with three rotating Presidents and set numbers of seats in both Houses of the Parliamentary Assembly for Croats, Bosniaks and Serbs. After the dissolution of Yugoslavia, Serbia did maintain a federation with Montenegro. However, this gradually evolved into a looser relationship, and Montenegrins narrowly voted for independence from Serbia in May 2006. Montenegro is now recognised as a separate nation by both Serbia and the EU.

Much more problematic has been Serbia's relationship with Kosovo, which has a majority (90%) ethnic Albanian population. Tensions resulting from Serb attempts to reduce Kosovo's autonomous status within Serbia erupted into violence in 1998, and only ended following a 78-day bombing campaign by NATO in spring 1999. Despite opposition from Serbia, Kosovo declared itself independent from Serbia in February 2008, resulting in violence from Serbian protestors. Most EU countries have recognised Kosovo as a new country (except for Spain, Greece, Romania, Cyprus and Slovakia) and, despite opposition from Russia, the EU deployed a **Rule of Law Mission** (EULEX) to police Kosovo's transition to independence. In July 2010, the International Court of Justice reviewed Kosovo's declaration of independence (at Serbia's request) and ruled that it was not illegal. In September 2010, Serbia and Kosovo agreed to begin EU-sponsored talks to try to resolve their outstanding issues.

## Serbia: key facts



❖ Capital	Belgrade
❖ Population	7 million (2014)
❖ Official languages	Serbian
❖ Currency	Serbian dinar (RSD)
❖ Schengen Area member	No
❖ EU membership status	Official candidate since 2012



## Montenegro: key facts



❖ Capital	Podgorica
❖ Population	620,000 (2011)
❖ Official languages	Montenegrin
❖ Currency	Euro since 2002 (no Eurozone member)
❖ Schengen Area member	No
❖ EU membership status	Official candidate since 2010



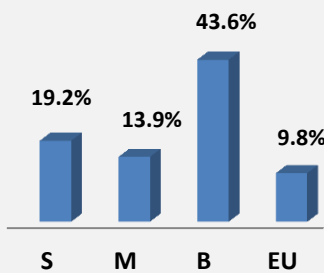
## Bosnia and Herzegovina: key facts



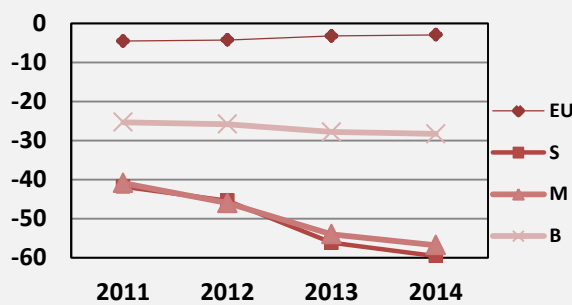
❖ Capital	Sarajevo
❖ Population	4 million (2014)
❖ Official languages	Bosnian, Croatian and Serbian ( <i>de facto</i> )
❖ Currency	Convertible mark (BAM)
❖ Schengen Area member	No
❖ EU membership status	Potential candidate since 2003



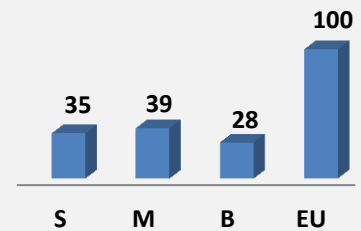
## Unemployment rate



## Public budget deficit/surplus



## GDP per capita in PPS (2013)



## Issues concerning EU membership

BIH, Serbia and Montenegro have all begun efforts to become members of the EU. To join the EU, states must fulfil the EU's **Copenhagen Criteria**. All 3 countries have signed **Stabilisation and Association Agreements (SAAs)** with the EU, which offer the incentive of free trade in return for political, economic or human rights reform.

Montenegro signed its SAA in 2007 and formally applied to join the EU in 2008. The European Council granted it the status of EU candidate country in December 2010, and following sufficient progress towards the Commission's targets on combating organised crime, has opened formal accession negotiations in June 2012.

BIH began talks with the EU at the Zagreb Summit in 2000. A Road Map for reform was agreed but, at times, reform has stagnated. In March 2007, the then EU Enlargement Commissioner, Olli Rehn, said the EU would not consider closer ties with BIH until it reformed its police and judicial system, and cooperated with the UN War Crimes Tribunal. BIH's government is restricted by the terms of the Dayton Accords, but it is slowly taking on more responsibility. For example, in 2008 Bosnia passed a police reform bill and it also signed a SAA with the EU. However, the last European Commission Progress Report, published in 2014, indicated a lack of progress to work towards political and economic reforms.

Serbia opened SAA talks with the EU in 1995, but its application to join the EU was slowed over its opposition to Kosovo's independence and its failure to arrest the suspected war criminal General Ratko Mladić; an issue that led to the suspension of its SAA negotiations in 2006. However the arrest of Radovan Karadzic - another suspected war criminal - in 2008 was seen as important progress, particularly when followed by the arrest of Mladić in May 2011. Serbia signed a SAA in April 2008 and formally applied to join the EU in December 2009. Serbia was granted EU candidate status in March 2012.

## Facts and figures

- ❖ The EU's Police Mission to BIH in 2003 was the first mission initiated under the European Security and Defence Policy (ESDP)
- ❖ A Rule of Law Mission to Kosovo (EULEX), deployed in 2008, has had its mandate extended until June 2016. The EULEX mission is designed to assist and support Kosovo authorities in the area of the rule of law
- ❖ A Western Balkans Investment Framework was launched in 2009, with grants given by the EU and international financial institutions. The programme focuses on investments in infrastructure and private sector development
- ❖ During the 2014-2020 period, almost €2bn (£1.5bn) is spent in these three countries by the Commission's pre-accession assistance programme (IPA II). Its objectives include public administration reform, improvement of the rule of law and stimulation of competitiveness and economic growth

### Technical Terms

- ❖ **Consociation**: when various groups in a country or region, share power according to an agreed formula or mechanism
- ❖ **Stabilisation and Association Agreement**: the strategy to prepare countries for membership of the EU. SAAs typically offer free trade in exchange for commitments to political, economic or human rights reform
- ❖ **Copenhagen Criteria**: rules set down in the 2002 Copenhagen Accords that must be met before a country can join the EU
- ❖ **PPS**: GDP per head is expressed in Purchasing Power Standards (PPS) to eliminate the differences in price levels between countries allowing meaningful volume comparisons of GDP between countries

### Links

- ❖ [http://ec.europa.eu/enlargement/potential-candidates/bosnia\\_and\\_herzegovina/index\\_en.htm](http://ec.europa.eu/enlargement/potential-candidates/bosnia_and_herzegovina/index_en.htm)
- ❖ [http://ec.europa.eu/enlargement/countries/detailed-country-information/montenegro/index\\_en.htm](http://ec.europa.eu/enlargement/countries/detailed-country-information/montenegro/index_en.htm)
- ❖ [http://ec.europa.eu/enlargement/countries/detailed-country-information/serbia/index\\_en.htm](http://ec.europa.eu/enlargement/countries/detailed-country-information/serbia/index_en.htm)
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