

SIGMA – Support for Improvement in Governance and Management in Central and Eastern European Countries – is a joint initiative of the OECD and the European Union. The initiative supports public administration reform efforts in thirteen countries in transition, and is principally financed by the EU Phare Programme. The Organisation for Economic Co-operation and Development is an intergovernmental organisation of 29 democracies with advanced market economies. Phare provides grant financing to support its partner countries in Central and Eastern Europe to the stage where they are ready to assume the obligations of membership of the European Union.

Phare and SIGMA serve the same countries: Albania, Bosnia-Herzegovina, Bulgaria, the Czech Republic, Estonia, the former Yugoslav Republic of Macedonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

Established in 1992, SIGMA works within the OECD's Public Management Service, which provides information and expert analysis on public management to policy-makers and facilitates contact and exchange of experience amongst public sector managers. SIGMA offers beneficiary countries access to a network of experienced public administrators, comparative information, and technical knowledge connected with the Public Management Service.

SIGMA aims to:

- assist beneficiary countries in their search for good governance to improve administrative efficiency and promote adherence of public sector staff to democratic values, ethics and respect of the rule of law;
- help build up indigenous capacities at the central governmental level to face the challenges of internationalisation and of European Union integration plans; and
- support initiatives of the European Union and other donors to assist beneficiary countries in public administration reform and contribute to co-ordination of donor activities.

Throughout its work, the initiative places a high priority on facilitating co-operation among governments. This practice includes providing logistical support to the formation of networks of public administration practitioners in Central and Eastern Europe, and between these practitioners and their counterparts in other democracies.

SIGMA works in five technical areas: Public Administration Development Strategies; Policy-Making, Co-ordination and Regulation; Budgeting and Resource Allocation; Public Service Management; Financial Control and Audit. In addition, an Information Services Unit disseminates published and on-line materials on public management topics.

ON THE AGENDA

Upcoming Programmes



21-24 September 1999. Manila, Philippines. Third Civicus World Assembly on "Towards a New Civil Society - The Changing Role of Civil Society Organizations, Business & Government".

Contact: Janet Oliver, CIVICUS, Washington, D.C., USA.
Tel: (1.202) 331.85.18; fax: (1.202) 331.87.74;
e-mail: info@civicus.org. In English.

23-25 September 1999. Ljubljana, Slovenia. Conference on the Slovene Administration.

Contact: Simona Koncnik, School of Public Administration, University of Ljubljana, Ljubljana, Slovenia. Tel/fax: (386.61) 168.61.23; e-mail: simona.koncnik@vus.uni-lj.si. In English and Slovenian.

4-29 October 1999. Paris, France. "Control and Appraisal of Administrative Action".

Contact: International Institute of Public Administration, 2 avenue de l'Observatoire, 75272 Paris Cedex 06, France.
Tel: (33.1) 44.41.85.00; fax: (33.1.) 44. 41.85.99;
e-mail: iiap.dre@wanadoo.fr. In French.

5-7 October 1999. Istanbul, Turkey. Meeting of the Anti-Corruption Network for Transition Economies.

Contact: Abdul Bayhan, OECD, 2 rue André-Pascal, 75016 Paris, France. Tel: (33-1) 45.24.18.47;
e-mail: abdul.bayhan@oecd.org. In English.

10-15 October, 1999, Durban, South Africa. International anti-corruption conference on "Global Integrity: 2000 and Beyond -- Developing Effective Anti-Corruption Strategies in a Changing World".

Contact: Conference Co-ordinator. Tel: (27.11) 339.72.53;
fax: (27.11) 403.43.32; e-mail: iaccsa@wn.apc.org;
WWW: <http://www.transparency.de/iacc/index>. In English.

Please note that not all of the programmes included in this calendar are open to every public administration practitioner or the general public. Details are provided directly by the organiser, who may be contacted for further information. If your organisation is planning an event, please send details to SIGMA (address on page 2). A more complete calendar of events may be found at: <http://www.oecd.org/puma/sigmaweb>.

Stability Pact
Aims to Lift up
Balkan Countries

Poland Emphasizes
"Human Dimension"
of Rebuilding

Bulgaria Offers
Democratic Example

Crisis Underscores
Need for
Reform in Albania

Re-Building the Balkans

by Bob Bonwitt



Am Vitale/ILLUSTRIOUSMAPPP

After 50 years of post-world war peace, how did a region in the heart of Europe plunge into 10 years of inter-ethnic and inter-state warfare? What can we, as public administration professionals, learn from the tragedy? More importantly, what can we offer? How can we help build a stable, prosperous and peaceful future for the citizens of the Balkan states?

*P*MF is devoting this issue to the Balkans. We believe that the weakness of public institutions was a key factor in the collapse of the rule of law and the violation of human rights, as well as in the ongoing economic hardship in the region. We believe that sustainable peace and

economic regeneration will only come when reliable, accountable, transparent public institutions operate under the rule of law and international review. As the "West" embarks on a massive reconstruction programme, we should not focus just on rebuilding bridges. Public institutions should be at the centre of the recovery plan for each individual state and for each state as a member of a larger international community.

In this issue we have invited some of the key participants in the Balkan recovery process to share their views with us. We dedicate this issue to them and to all our Balkan friends and colleagues who are struggling to bring stability and prosperity to the region through good governance and the rule of law.

When States Go Wrong, Nothing Goes Right

The states in the Balkan region emerged into the 1990s with many disadvantages relative to most of

Forum Focus

European Commission
Proposes
New Accords
For Balkans

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The crisis in Kosovo did not end with the secession of hostilities in June. Indeed, the task of rebuilding the province, and of repairing the damaged economies of neighbouring states, will occupy Europe well into the new millennium. The question of how and when to support rebuilding in the Federal Republic of Yugoslavia, and to ease it back into the European fold, remains unanswered at this writing and may remain so for some time to come. Constructing a professional public administration and promoting good governance are essential to the promotion of stability and prosperity in the region. For seven years SIGMA has been supporting public administration reform in the Balkans through the provision of individually tailored advice and comparative information to the region's central governments. In Albania, SIGMA has played a key role among donors in formulating, implementing and monitoring a state-rebuilding plan launched after civil unrest in that country in 1997. SIGMA has counselled Albanian officials on the drafting of basic legislation (e.g. civil service act, budget law, audit law), aided in the creation of the country's Supreme Audit Institution, and is supporting the

launch of a modern School of Public Administration. Furthermore, it has been a very active player in co-ordinating foreign assistance to public administration reform. Next door, in the former Yugoslav Republic of Macedonia, SIGMA has helped to design an administrative framework; trained budget officials; critiqued anti-corruption and conflict of interest legislation; contributed to the strengthening of external audit; and counselled on the preparation of a public procurement law. In Bosnia-Herzegovina, it has provided key input into designing a support programme for common state institutions, writing a civil service law, and setting up a public accounts system (in the Federation). Further, SIGMA has actively supported the strengthening of core management systems in both Bulgaria and Romania. As implementation of the Stability Pact picks up pace, SIGMA will contribute to international efforts to ensure Balkan regional stability and economic growth based on viable public institutions operating by democratic principles in accordance with the rule of law.

Bart W. Édes, Editor-in-Chief

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Re-Building the Balkans

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their neighbours of Central and Northern Europe. Above all, they had weak pre-world war experiences as modern states. Nearly all have encountered major difficulties in completing their transitions. In several cases states have collapsed and either do not have full control over their territory or are held together by outside intervention.

In his reflections on ten years of transition¹, World Bank Senior Vice President and Chief Economist, Joseph E. Stiglitz, discusses the state as a foundation stone of a market economy. He shows how economic activity is severely hindered when governments do not act according to the rule of law, with appropriate localisation of decision-making and checks by independent powers, especially parliament and justice. He describes how privatising before creating sound regulatory frameworks has led to systematic theft and corruption. We argue that distorted economic development is one of the most important effects of weak or failed states. Further, economic hardship places citizens at the risk of being exploited.

**“No arts; no letters; no society;
and, which is worst of all,
continual fear and danger of
violent death; and the life of
man solitary, poor, nasty,
brutish and short.”**

Thomas Hobbes, 1651

But the failure of states has other more direct and pernicious consequences. If the rule of law is not effectively applied, civil rights, citizenship and democracy cannot take root. If the state cannot ensure basic functions of security for individuals and investment, it will be replaced by mafias; corruption will become endemic; economic activity will become short-term and exploitive; and protection of human rights and of minorities will collapse. The result is not only a weak state and economy, but a significantly reduced potential to create a constitutional order and to ensure good governance. The fragility of states means that they are unable to take pre-emptive actions or to react to shocks. The “pyramid” crisis in Albania illustrated how quickly a fragile state can descend into chaos-- and how much easier it is to slide down than to climb up.

¹ “Whither Reform? Ten Years of the Transition” by Joseph E. Stiglitz. Paper prepared for the Annual World Bank Conference on Development Economics, Washington, D.C., 28-30 April 1999, 34 pages. Available in PDF on the World Bank Website.



Homes in the predominantly Albanian village of Milic, Kosovo set on fire by Serbian police, 27 March, 1999.

Integration into regional, global and especially European political and economic systems is a goal of most of the states of the region. The international community also sees this as a mechanism for ensuring peace. The failure of the state hampers international integration for at least two reasons. First, because integration today is based on law, it needs effective state capacities supported by a professional administration and underpinned by the rule of law. Second, states whose institutions are secretive, unaccountable and are not restrained by law pose risks for their neighbours or for minorities with cross-border allegiances. **To put it positively, peace can only be restored amongst the peoples and states of the Balkans if each state's institutions are seen by its citizens and neighbours as operating transparently, accountably and under the rule of law.**

Are the Balkans Condemned to be “Balkan” ?

Opinion polls in the region reveal a huge popular demand for “normality” but also a great degree of fatalism. But are the Balkans really so different? We can see evidence of weak states in the heartlands of the European Union, in the former Soviet Union and further afield. And we can also see success in Balkan states. For example, Bulgarian Prime Minister Ivan Kostov describes on page 4 how his government has started to implement administrative reforms. The potential is there; the challenge is to channel the talents and energies of people within governance and economic institutions which operate in accordance with “Western” norms. So many years of conflict have brought weariness and scepticism, but surely also an appetite for a better way of organising public affairs. Ex-Yugoslavia has special problems but also

advantages. Some specific inherited characteristics are particularly harmful -- especially the payments system (ZPP); inter-“Republic” outstanding debt issues at national, company and individual levels; and the property rights questions inherited from the self-management system. On the other hand, Yugoslavia was relatively open and has a reasonable base on which to build a framework of administrative law. Bosnia, Croatia, Kosovo, Montenegro and, eventually, Serbia can all benefit from the experience acquired in the former Yugoslav Republic of Macedonia and in Slovenia.

**“Success will stem from...
the construction of rule of law
and civil society, from respect
for minority rights and
freedom of media, from
tolerance and pluralism.”**

**Bronislaw Geremek, Poland's
Foreign Minister (see page 13)**

Constitutional Arrangements That Work

The USSR was a good example of the maxim that you find the best constitutions in the worst run states. What matters is governance as it is actually practised. The “rule of law” is too often understood in emerging democracies as how governments control society. The more fundamental meaning is that it is how societies control their governments. For this to work, a system of checks and balances is needed: formal institutions -- such as parliaments, audit courts, administrative justice -- and informal mechanisms, such as media and civil society. But

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Bulgaria Exerts Stabilising Influence on Balkan Region

by Ivan Kostov



Prime Minister Ivan Kostov

Bulgaria's contribution to democratic government, peaceful inter-ethnic relations and stability in the Balkans is modest, effective, reliable and long-term. Over the past ten years, this region has come to be known for instability and conflict. The break-up of Yugoslavia justified this perception. At a time when Central and Eastern Europe was moving towards democracy and market economy, the Western Balkans were immersed in ethnic conflict. What such a reputation masks, however, is the fact that there are just as many examples of ethnic tolerance in South Eastern Europe as there are of conflict.

The time has come to shed the inheritance of conflict and build upon the traditions of tolerance a system for the region that will make a

future war impossible by integrating a democratic South Eastern Europe into the European Union and NATO. To this end Bulgaria has developed the institutions of democratic stability, ensured the basic conditions for sustainable economic growth and stimulated the development of a vibrant civil society.

Bulgaria's achievements in the transition process are both political and economic. Ten years ago we witnessed the forceful expulsion of 300,000 ethnic Turks by the Communist government. Today, Bulgaria is a model for ethnic tolerance in South Eastern Europe. During the 1990's the political and social integration of ethnic Turks has become the basis of this stability, which can serve as an example to the rest of the region. The economic collapse of 1996 and the ensuing crisis was handled entirely within the limits of the political process. Economically, Bulgaria has managed to achieve financial stability and low inflation under a currency board regime. For all practical purposes Bulgaria is a functioning market economy.

Reforming the Administration

Modernisation of the public administration is a core political objective aiming to promote the nation's welfare, regional stability and European integration. In the past decade several Bulgarian governments have declared a willingness to undertake public administration reform. This one started the reform.

Market forces can indeed work miracles, but they cannot substitute for representative democracy and its institutions.

Developing a viable public administration is a major challenge. To address this challenge, the Government adopted "A Strategy for Public Administration Reform", which has been followed by the adoption of a comprehensive legal framework. The Public Administration Act and Civil Service Act provide the general framework for state institution-building, at both central and local levels. By the end of this year, all state bodies will have been restructured in compliance with the law. This will give public administration legitimacy, render a

career in the civil service attractive, and support conditions for a professional civil service with improved performance. The Bulgarian Parliament has passed groundbreaking legislation for developing an independent judiciary and for fighting organised crime and corruption. At last there is a government ready to trust the people with a legal right to information. Considering openness fundamental to the political health of a modern state, the Government has submitted the Access to Information Act to the Parliament.

Public administration reform is an integral part of the pre-accession process, and thus particular focus is being put on the administrative capacity needed to adopt and implement the *acquis communautaire*, and to avoid the opening up of an "implementation gap" between policies approved and policies actually put into practice.

There are difficult choices to make. Building and running administrative institutions demands resources, respect for budget constraints, and consideration of social costs.

A realistic assessment of the true situation of public administration reform is that Bulgaria has made a good start on what is a long-distance run.

Regional Integration

South Eastern Europe has seen many wars in its history, but has also witnessed periods of prosperity. With international attention focused on the region it is our joint responsibility to provide the necessary institutional and economic framework for reconstruction, development and integration of the region.

Bulgaria's efforts in the process of democratisation, economic stabilisation and development need to be recognised as a factor in the stability and integration of the region. The international community needs to support the successful integration of such countries into the European Union and NATO in order to create a zone of stability that will become the basis for reconstruction efforts in the region. ■

Ivan Kostov is the Prime Minister of Bulgaria. He can be reached in Sofia at: (359.2) 887.28.44; e-mail: Z.Nikolova@government.bg.

The Problems and Priorities of Administrative Reform in Albania

by *Kastriot Islami*



Kastriot Islami

The development of democracy in Europe's formerly communist countries has turned out to be a long, difficult, and inconsistent process. The main reasons behind this are the length of time needed to change mentalities; delays in implementing legislative reform; evident political indecision in the establishment of robust democratic institutions; and vacillation in the creation of a professional, stable and neutral public administration.

Albania has passed through a series of crises, the most recent of which has been the war in neighbouring Yugoslavia. Nearly all of these crises can be attributed to failure to consolidate a legal base and to establish an administration capable of managing economic, social, and political challenges. The public administration has remained centralised and inactive, proving to be unable to take initiative and act quickly when needed.

Shortage of Qualified Staff

Public expressions of political will for a public administration where staff are recruited transparently on professional grounds -- and assured stability, adequate remuneration and a proper motivation system -- have often been followed by incoherent actions. This is a key reason why the best professionals are not attracted to the public service, and why the public administration is dominated by average or even mediocre employees. The result is public servants who cannot react to developments around them, corruption in parts of the administration, and a lack of citizen trust in the public sector.

Crisis Highlights Need for Change

To effectively manage the humanitarian crisis spurred by the massive influx of Kosovar refugees during the spring, representatives of the Albanian public administration, international organisations and national and international NGOs had to collaborate closely. This crisis highlighted the need for major changes, including the construction of a professional public administration able to take decisions, show flexibility, be creative, and liaise efficiently with representatives of the international community.

Now more than ever -- with the implementation of the Peace Plan -- South Eastern Europe is moving towards a new phase of stabilisation, democratisation and further development. Undoubtedly, the post-conflict era must be approached by a professional administration which can promptly and competently respond to requests of the international community, and capably make fast decisions and furnish political leaders with clear recommendations. At the same time, the

process of democratisation and stabilisation in each Balkan state will only be fulfilled through an appropriate balance between regional co-operation, rapid Euro-Atlantic integration, and participation in the globalisation process. Albania must create an efficient and professional public administration to keep from remaining a problematic country as the region adopts a new orientation.

Priorities for Administrative Reform

The basic principles for administrative reform in Albania are clear, but for reform to succeed it is necessary to identify priorities and develop a plan of action.

Approval of Albania's new Constitution in 1998 underlined the imperative to enhance capacities for the drafting, completion, and adaptability of legislation. In this light, Albania must create a complete legislative package upon which reform and the building of public institutions can rely. An immediate requirement in public

administration reform is the transparent creation of the Civil Service Commission. Providing financial incentives and raising wages of public administration workers to levels comparable to those in the private sector will facilitate recruitment of qualified personnel and promote stability of the administration. Tasks to be undertaken also include defining the criteria for recruitment, training, and promotion of civil servants, and putting in place institutions supporting successful implementation of the above.

Judicial reform should focus on raising standards of legal personnel; increasing the professionalism and responsibility of those working in the judicial system; improving the mechanism and selection criteria for judges and prosecutors; organising training; awarding promotions on the basis

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The Problems and Priorities of Administrative Reform in Albania

Continued from page 5



Yannis Beharakis/Reuters/MAAPPP

Ethnic Albanian refugees fleeing from Kosovo on 31 March 1999. The post-war return of refugees has eased the heavy burden on Albania and other neighbouring states.

of capabilities and experience; and reviewing judicial authority.

To support efficient functioning at the centre of government, it is necessary to clarify the missions and functions of ministries in accordance with the stated objectives of the government's political programme; produce job descriptions; develop communication mechanisms; and promote transparency and co-ordination for the ministries.

The institutional struggle against corruption in the public administration will entail simplifying fiscal procedures, reforming the customs service, and firming up control and auditing systems. The fight against organised crime, contraband, and trafficking requires reform of the legislation framework for the Albanian Police to ensure that law enforcement authorities do not become aligned politically, and

stabilising the public sector workforce through the selection based on merit, permanent training and adequate financial incentives.

Improvement in local government implies decentralisation of the administration, specification of job competencies at different levels of local government, and establishment of a local tax collection system.

International Integration

The balancing of active Albanian involvement in regional collaboration, European integration and the globalisation process constitutes one of the basic political tasks of the government, but also represents a key priority of legislative and public administrative reform. In this light, unification and integration of national legislation with that at the regional,

European and global levels is an important strategic goal and a concrete dimension of regional development.

As Albania moves forward on public administration reform, it will need to create units and train experts to manage co-ordination at the regional and European levels on drafting, programming, and implementation of bilateral and multilateral projects in the region. ■

Kastriot Islami is a former First Deputy Prime Minister of Albania, and now oversees the emergency unit established within the Albanian Council of Ministers to manage the Balkan crisis. He can be reached in Tirana at e-mail: asharra@zdnmail.com.

A New Opportunity in the Balkans

by Ambassador Ali Hikmet Alp



Courtesy photo

Ambassador Ali Hikmet Alp

The last two centuries witnessed the collapse of three rival empires in the Balkan region (Ottoman, Russian and Austrian). The driving ideology behind new states was a nationalism that prompted territorial claims, the now familiar scenes of ethnic cleansing and waves of refugees. But none of the “Great Powers” of the time were innocent: if the liquidation of the “empires” was an historical imperative, the way the Great Powers contributed to the process was certainly not altruistic. The “evil forces” came both from within and from the outside.

Ethnic and religious diversity in the Balkans, a word which I do not hesitate to use, has been exploited for political purposes, undermining what was good of living together for centuries.

Communism, which brought divisions of a new kind, could only suppress but not eradicate hostile perceptions. The result is that, in the Balkans of today, as it was in the Balkans of yesterday, the “image of the other” continues to be a serious problem, which can only be solved in the long run and with sustained efforts. We believe that no long-term stabilisation strategy can be successful unless it properly and actively addresses this issue, which is beyond the question of respect for human rights.

Reasons for Hope

The late 1980’s gave us new hopes. Dissolution of the political, economic and military blocs created a unique opportunity, which should not be lost. It is true that a few “shrewd” leaders, ignoring the new historical trends, tried to fill the ideological gap by turning once again to old-fashioned nationalism, causing in the process disasters for their own people as well. But there is solid ground for optimism, if one takes into consideration these two historic developments:

First, almost all these countries share common aspirations for a true democracy, for respect of human rights, for economic development -- in short, for reform of the old system.

Second, the “international community” (and let us hope all major powers) agree on the necessity of co-operation, co-ordination and timely joint efforts and, as necessary, of legitimate intervention for conflict-prevention and resolution.

Indeed, despite the hurdles of the transition -- painful reforms, social costs associated with job and production losses -- which make institution-building even more difficult, people have resisted calls for a return to old ways. The value of good

neighbourly relations is better appreciated. In most countries freely elected governments encourage mutual acceptance and accommodation. Thanks to this new approach, there have been remarkable improvements in bilateral and intra-regional relations in general. Not all of the Balkans are a crisis- and conflict-ridden area.

Of course there is still much to do, including in the area of regional co-operation. This is important not only because the problems are ours, and because we will benefit from co-operation, but also because regional co-operation is necessary to secure the solidarity and assistance of Europe as partners, and not as “problem areas”.

We have to admit that we Balkan countries do not have the well-established habit of making joint efforts to solve our own problems, but rather have tended to look beyond our borders for solutions. We

should work to change this habit, and Europe should encourage this change as a prerequisite for regional stabilisation. Regional co-operation cannot be a substitute for Euro-Atlantic integration, but this much-desired integration can hardly be achieved without it.

Wars and conflicts in the Balkans also provide an opportunity for reflection on institutional aspects. How and where to take important decisions on security and stability in Europe and how to implement them in full legitimacy?

How to be action-oriented by merging capabilities, mandate, timely decision-making, credibility and acceptability which cannot possibly be concentrated in a single organisation?

“We have to admit that we Balkan countries do not have the well-established habit of making joint efforts to solve our own problems, but rather have tended to look beyond our borders for solutions. We should work to change this habit...”

Implementing the Stability Pact

There are no clear-cut answers, but a few things do seem clear: new and pragmatic ways should be developed for better

Stability Pact Seeks to Promote Recovery and Prevent Future Instability in South Eastern Europe

by Joschka Fischer

Foreign ministers of over two dozen countries, and leading officials of several international organisations, convened on 10 June 1999 to approve the Stability Pact for South Eastern Europe, launched by the European Union under the German Presidency. Joschka Fischer, Foreign Minister of the host country, helped to guide the multilateral talks on the pact to a successful conclusion. In his welcoming remarks to participants, Foreign Minister Fischer explained the principles underlying the agreement, as well as the objectives it seeks to achieve.

I am delighted to welcome you to the opening of this conference.

Today is a very good day for Europe. The long-awaited turning point in the Kosovo conflict has finally come. With the entry into force of the technical and military agreement the weapons can now be silenced. According to the latest reports, Serbian troops have begun their withdrawal, although we still await official confirmation by NATO. The adoption by the UN Security Council of a Chapter 7 resolution is therefore imminent and peace is thus close to hand. The war will only really be over, however, when the last armed units have withdrawn from Kosovo and the international peace-keeping force is in place. But the crucial point is that there is now renewed hope for the people concerned – above all for the 1.5 million or so Kosovars driven from their homes.

The war in Kosovo was the fourth war in former Yugoslavia in just eight years and I hope it will be the last. But a political

solution in Kosovo will only prove to be lasting within the context of a general peace strategy encompassing the region as a whole, and at today's conference we would like to launch such a strategy.

The prospect of peace in Kosovo now makes the implementation of the Stability Pact particularly urgent. I would therefore call upon all of you to make every effort today to bring this meeting to a successful conclusion. A few individual problems still have to be resolved but they can no doubt be overcome, assuming the appropriate political will exists – and on such a day as this I shall assume that it does, as the response of the international community to the Kosovo conflict has amply demonstrated.

Following the breakthrough on the diplomatic front, the public would fail to understand if we were to leave here today without having come to an agreement.

New Approach

Ladies and Gentlemen, hitherto the policy of the international community towards former Yugoslavia has had two serious flaws: it has dealt with the consequences of the conflict rather than the causes and it has addressed each of the region's problems separately and without reference to the rest of Europe. The Stability Pact adopts a completely new approach. From now on effective preventative measures should be introduced to counter the potential for violence and instability in this region while at the same time all southern European countries – including the Federal Republic of Yugoslavia – should be included and firmly anchored in an integrated Europe.

Only Europe can offer the people of the region a real chance of reconciliation and lasting peace.

“...hitherto the policy of the international community towards former Yugoslavia has had two serious flaws : it has dealt with the consequences of the conflict rather than the causes and it has addressed each of the region's problems separately and without reference to the rest of Europe. The Stability Pact adopts a completely new approach.”

The Pact is analogous to the Helsinki Final Act in its structures and mechanisms. The object is to initiate a long-term process of dialogue and stabilisation, which should lead to a coherent arrangement of bilateral and multilateral agreements for the improvement of good-neighbourly relations, as has been successfully achieved in Central and Eastern Europe. A first meeting should be held as soon as possible in the framework of the South Eastern European Regional Table, and three sub-tables should be established subsequently. These will deal with the following topics:

- 1. Democracy and protection of minorities.** They are the prime prerequisites for lasting peace. Achieving them will be a crucial element in advancing the objectives of civil society.
- 2. Reconstruction and economic upturn.** Crisis prevention is “cost prevention” – the international community gained this insight much too late with respect to the Balkans and it must now be adopted as a guiding principle. Accordingly, a first regional donors' conference is soon to be called.
- 3. Security.** The experience of this decade has shown that security in Europe can only be maintained where there is co-operation and not division. South Eastern Europe therefore needs a comprehensive security arrangement to counter threats from inside and outside. If lasting security is to be established in South Eastern Europe, the countries of that zone must in the long term be entitled to membership of the



Yannis Beharakis/Reuters/MAPPP

KFOR troops attempt to extinguish a house fire in Pristina. Since the end of the war, international security forces in Kosovo have been tested by numerous incidents of violence, including arson attacks by ethnic Albanians seeking revenge for Serb violence against them. The Stability Pact also aims to ensure basic security and the rule of law.

transatlantic alliance. The right of every OSCE state to be free to choose its treaties of alliance, attested in the Helsinki Final Act, already offers a basis for this.

Islands of Stability

Our goal must be to secure the participation of the Federal Republic of Yugoslavia in the Stability Pact as soon as possible, as a full member with the same rights as others. An essential prerequisite for this is the complete implementation of the political solution to the Kosovo conflict on the basis of the UN Security Council resolution. But this alone will not suffice. There can only be lasting peace and stability in South Eastern Europe – this is important to me – with a democratic Serbia that recognises the rule of law.

One of the basic ideas of the Stability Pact is to promote islands of stability in the hope that in good time their positive influence will spread to the surrounding areas. This applies to states and also to parts of states. Montenegro provides a positive example of the will to democratic change within the Federal Republic of Yugoslavia, and should receive our support until this can be extended to a fully democratised Yugoslavia. I call upon the states, international organisations and regional initiatives represented here to do their utmost to promote

democracy, well-being and peace in South Eastern Europe. You can all make a specific contribution; indeed, an essential part of the general approach is that the actors should help each other to perform more effectively. Especially important is the involvement of neighbouring countries; many of them have made impressive progress towards reform in recent years, as a result of which they are already exerting a stabilising influence on the surrounding areas.

European Integration

The European Union has a central role in providing the impetus for these processes. By the means at its disposal, above all by holding out the prospect of EU membership, it gives a decisive incentive to the participating states. The EU is ready to extend this prospect on the basis of the Amsterdam Treaty, whose importance I would particularly like to underline, and the Copenhagen Document, which likewise merits our attention. This prospect will only be realised in the very long term, however, given the much lower level of economic and social development in the South Eastern European countries. In this connection the EU has already promised a new kind of contractual relationship, which will take account of the individual situation of each country.

Also very important is the strengthening of regional co-operation in South Eastern Europe – not as an alternative to European integration but as a support along the way to it. This will depend to a large extent on the countries' own efforts and for that reason initiatives arising out of the region itself are particularly significant and should also receive special support.

Ladies and Gentlemen, the Stability Pact is based on the conviction that the Balkans are an integral part of our own continent, Europe. At the beginning of this century South Eastern Europe was the area where the process of European self-destruction began. Today, after two terrible world wars and a decade of bloody conflict in former Yugoslavia, we have a unique, an historical opportunity to bring lasting peace to the Balkans, to redirect the region into the mainstream of the European movement towards integration and thereby complete the unification of Europe. The Stability Pact will enable us to make a substantial contribution to this truly historic project. ■

Joschka Fischer is Germany's Foreign Minister. This is an unofficial English translation of his German-language introduction to the Foreign Ministers' Conference on the Stability Pact for South Eastern Europe. For more information, contact the Press Office of the Ministry of Foreign Affairs at tel: (49.228) 17(0).20.59; fax: (49.228) 173.524.

European Commission Proposes a Stabilisation and Association Process for Countries of South Eastern Europe

The European Commission has proposed creation of a "Stabilisation and Association Process" to enhance the existing "Regional Approach" of the European Union vis-à-vis Albania, Bosnia-Herzegovina, Croatia, the Federal Republic of Yugoslavia (FRY), and the former Yugoslav Republic of Macedonia (FYROM). In particular, the Commission proposes to offer these countries a new kind of contractual relations: Stabilisation and Association Agreements (SAAs).

The European Commission's proposed Stabilisation and Association Agreements (SAAs) will draw South Eastern Europe closer to full integration into EU structures. The agreements will be tailor-made, taking into account the individual situation of each country, while the timing for beginning negotiations of such agreements will be differentiated according to the countries' compliance with certain conditions (see box). This process will become part of the EU Common Strategy towards the Western Balkans as announced by the Vienna European Council (December 1998) and will also constitute an essential element of the EU's contribution to the Stability Pact for South Eastern Europe (see pages 8-9).

EU Regional Approach

The primary objectives of the EU Regional Approach, as developed in 1996, were to reinforce the successful implementation of the Dayton/Paris and Erdut peace agreements as well as to create an area of political stability and economic

prosperity. The cornerstones of the approach were the promotion and maintenance of democracy, the rule of law, and respect for human and minority rights as well as the relaunching of economic activity.

In fact, the five states were divided into two groups with different frameworks for the development of relations with the EU: (i) the former Yugoslav Republic of Macedonia and Albania, which were not involved in the 1991-1995 war, have more advanced relations with the EU; (ii) the other three countries are party to the Dayton/Paris peace agreements and consequently their compliance with these agreements was an important factor for the development of their relations with the EU.

Closer Integration into EU Structures

In the light of the results achieved under the Regional Approach and taking into account recent events in the region, a more

far-reaching strategy is required to underline that all countries in the region have the prospect of increasing rapprochement with the EU, with the perspective of full integration into European structures.

In the Commission's view, this enhanced approach would entail the development of a Stabilisation and Association process, which would combine both the development of existing instruments as well as new initiatives aimed at an improvement of the situation.

The Commission therefore proposes, as an essential instrument for the Stabilisation and Association process, the development of Stability and Association Agreements (SAAs).

These agreements would provide a new kind of contractual relations with the

countries concerned, including the perspective of closer integration into EU structures. The SAAs are a response to the conclusions of the General Affairs Council of 8 and 26 April, and 17 May 1999, and the proposed wording of the Stability Pact for South Eastern Europe adopted by the Council on 17 May 1999. All five countries --Bosnia-Herzegovina, Croatia, the FRY, FYROM and Albania-- would, in principle, be eligible. The Agreements will be tailor-made to each country according to their specific circumstances.

Negotiating Accords

As regards the possible start of negotiations with the individual countries for SAAs, the Commission will report first on the feasibility of the opening of such negotiations in the case of FYROM and then on the case of Albania. In the light of these reports, the Commission might recommend that appropriate negotiations

begin. Given its positive record to date, and its compliance with the relevant conditions, it is likely that negotiations will first be opened with FYROM.

It would not yet be appropriate to consider the opening of negotiations with Bosnia-Herzegovina or Croatia, as the relevant conditions have not yet been fulfilled. But the Commission could prepare technical reports on the feasibility of the

opening of such negotiations at a later stage.

FRY has the same general perspective as the other states once it respects the relevant conditions. At present, it disregards the most fundamental of these.

Other elements of the Stabilisation and Association process, open to states whether or not they have met the conditions for the

"...a more far-reaching strategy is required to underline that all countries in the region have the prospect of increasing rapprochement with the EU, with the perspective of full integration into European structures."



War-damaged bridge over Sava River in southern Belgrade. A democratic Yugoslavia could eventually become eligible for EU support for rebuilding.

Stabilisation and Association Agreements, are the:

- development of existing economic and trade relations with and within the region
- development/partial reorientation of existing economic and financial assistance
- increase in assistance for democratisation, civil society, education and institution-building
- use of new opportunities for co-operation in various fields, including justice and home affairs (in particular following the entry into force of the Amsterdam Treaty)
- development of political dialogue, including at regional level.

The SAAs will constitute the main tool for the implementation of these objectives, although more limited co-operation in these fields would also be available to countries which are not yet

eligible for the SAAs. The SAAs would thus bring a new dimension to relations with the region, replacing the prospect of a Co-operation Agreement for those countries which had not already reached that stage, and, for those that already have a Co-operation Agreement, providing a new, more advanced relationship.

Areas of Support

EU action will focus particularly on enhancing, particularly in a regional context, the stability of political structures, the maintenance of rule of law, the effectiveness of public administration and the viability of civil society. Particular emphasis will be given to the post-conflict rebuilding of consensus, to conflict-resolution and to the lightening of psychological burdens consequent to war.

In the area of justice and home affairs, assistance could be provided for institution-building, increasing the efficiency of law enforcing, border controls; the fight against organised crime and corruption, including by means of "twinning" with national administrations.

With regard to foreign trade, the current system of autonomous trade preferences for the countries which emerged from former Yugoslavia (for which only Bosnia-Herzegovina and Croatia are presently eligible) will remain important until contractual relations are established with Bosnia-Herzegovina, Croatia and the Federal Republic of Yugoslavia.

In future, the Commission intends to split the existing system of autonomous trade preferences into separate trade preferences for Bosnia-Herzegovina and Croatia in order to ensure a transparent and equitable share of these preferences between these countries, and to prepare possible future negotiations for an agreement. In accordance with the Council Conclusions of 9 November 1998, and in anticipation of an "SAA", the Commission will present, in the near

future, a formal proposal for the upgrading of the bilateral trade regime with Albania towards a preferential regime similar to that which is afforded to other countries of the region.

The upgrading of relations by means of an SAA will have trade implications as regards the reciprocal obligations which would be involved. Trade relations with these countries will also be strengthened by their accession to the WTO.

The Commission, in close co-operation with international financial institutions, will continue to monitor macroeconomic developments and deepen its macroeconomic dialogue with these countries. Attention must be given to creating the right climate for private investment flows. In 1999, financial assistance to the countries of the Regional Approach will be more than € 700 million.

Finally, attention will need to be devoted to political dialogue, even outside the SAA framework, for those countries that are not yet eligible for such Agreements. This should be in addition to bilateral political dialogue. ■

CONDITIONS FOR NEGOTIATING SAAs

Conditions for Opening Negotiations

- Rule of law, democracy, compliance human/minority rights (incl. media)
- Free/fair elections, full implementation results
- Absence of discriminatory treatment
- Implementation first steps economic reform (privatisation, abolition price controls)
- Proven readiness good neighbourly relations
- Dayton compliance (ICT, refugee return, etc.) for Bosnia-Herzegovina, Croatia, FRy

Conditions for Concluding Negotiations

- Substantial progress in achievement of objectives of conditions for opening negotiations
- Substantial results in field of political/economic reforms (stable economic environment, liberalisation prices, regulatory framework, competitive banking sector, etc.)
- Proven co-operation/good neighbourly relations

Source: *The Spokesman's Service of the European Commission.*

Finnish EU Presidency to Promote Stability in the Balkans

by Jaako Blomberg



Jaako Blomberg

The international community faces a formidable task in bringing about a lasting peace and stability in the Balkans. Finland, in the capacity of the presidency of the European Union, is doing its utmost to create conditions for peace and democracy in the Balkans while promoting stable economies and regional co-operation. In due course we foresee all the countries integrating in the European structures. Stability in the Balkans is a priority for the Finnish EU presidency.

The European Union has the leading role in the reconstruction of Kosovo. The EU, the donor countries and international financial institutions, as well as international organisations, are working hard to create a co-ordinated and effective way to channel humanitarian and reconstruction aid to Kosovo and the countries most affected by the crisis.

Nurturing Democracy

Reconstruction has to be understood in a comprehensive way for it to promote democracy, human rights and consolidation among the peoples. Democracy is a prerequisite for economic and social development. Reconstruction efforts should in due course also be extended to Serbia proper for the sake of the economic recovery and political stability of the whole region. This is, however, a matter that we must think through very carefully.

The international community is not prepared to deal with Milosevic's regime in the Federal Republic of Yugoslavia. The donors wish to see some degree of democratic development in this country before they are ready to support repairing the damage in the economy and infrastructure. We realise that extreme conditions often bring about extreme policies. Radical forces easily gain ground. Our task is to somehow overcome this vicious circle. Our aim must be to support viable public institutions operating by the rule of law and staffed by professional, trained civil servants.

Our efforts must be directed towards good governance of public administration, which fulfils the needs of the society. We are willing to contribute to the re-launching of fundamental social services of education, health care and the creation of clear regulatory frameworks for the private sector. However, the efforts of the international community do not have effect if the countries concerned do not commit themselves to democratic ways. Public administration must effectively implement the policies decided by democratically elected governments and work to gain popular support for democracy. True, this is a long term project. But we want make it clear that this is the path towards a stable and prosperous state and the only way to integrate into European structures.

"Our aim must be to support viable public institutions operating by the rule of law and staffed by professional, trained civil servants."

Stability Pact

The Kosovo peace plan is only one part of the efforts to solve the problems of the Balkans on a sustainable basis. It is to this end that the European Union, central and south-eastern European countries as well as the United States, Russia and several international organisations, have agreed on the Stability Pact for South Eastern Europe. The Sarajevo Summit was a powerful demonstration of the support to the Pact. We will gather together regularly to address the issues of democracy, economy and security. We will deal with the issues of rule of law, good governance and viable economies. The fact that the countries of the region would engage in permanent regional co-operation on multiple issues is a prerequisite for a stable Balkan region. We welcome the Federal Republic of Yugoslavia to this process once it has fulfilled conditions set out by the international community. Our aim is that the EU remains a driving force in this process to keep up the momentum.

Rapprochement with the EU

The European Union has already for a long time viewed the Balkan countries in a comprehensive way. Our regional approach is now being developed further towards a Stabilisation and Association Process. The aim is to bring the countries of the region closer to the European Union by intensifying relations to support viable progress in democracy, open economy and regional co-operation. Again, the Federal Republic of Yugoslavia is welcome to join this process once it is ready. ■

Jaako Blomberg is Under-Secretary of State in Finland's Ministry for Foreign Affairs. He can be reached in Helsinki at e-mail: AVS-POL@formin.fi.

How to Rebuild Bridges

by Bronislaw Geremek

International efforts supporting democratic and economic renewal in South Eastern Europe should not be regarded primarily in terms of economic aid. Polish Foreign Minister Geremek believes that success of the multi-lateral Stability Pact for South Eastern Europe will stem from its "human dimension", including construction of the rule of law.

The EU's South Eastern Europe Stability Pact is an initiative of paramount importance. Conflicts that flare up in the region cannot be handled separately, and the role of the international community cannot be limited to putting out the local fires. It offers a chance of translating the harsh lesson of the Kosovo drama into a conflict-prevention and peace-building strategy.

The pact is an expensive proposition, but the money is not all that matters here. What is more, money can be thrown at the wrong projects and lead to corruption. I do not think western consultants can devise appropriate remedies for that. It is not about paternalism of the rich, with the strong looking down upon the poor and weak. Neither should it be regarded primarily in terms of economic aid.

The plan's success will stem from its "human dimension" -- in other words, from the construction of the rule of law and civil society, from respect for minority rights and freedom of the media, from tolerance and pluralism.

The countries of South Eastern Europe should brace themselves for a long, gruelling march ahead. Hopefully, once they start off they will be helped along by the various institutions. The Organisation for Security and Co-operation in Europe should play a particular role, because it combines security concerns with the human dimension that is part of the spiritual heritage of the entire continent.

The OSCE is a pan-European organisation that -- while accommodating Russia and the U.S., as well as Canada -- also knew how to establish co-operation with NATO when a crisis erupted in Kosovo.

In my view, now it is essential to determine when the region should start off on the road to recovery and "market democracy". The European experience of the past 10 years should provide helpful.

Poland regards South Eastern Europe and its problems and misfortunes with solidarity. And that goes for all the nations of the region, so deeply traumatised by developments of the past years. We are bound tightly together by the shared experience of war, communism and emergence from communism.

We believe that economic and political transformation is the main problem facing the region. One must also be careful not to assume postures of lofty superiority vis-à-vis the Balkans, or treat them as an "exotic" area of our continent. The countries of South Eastern Europe do not require any special status: in embracing and implementing the principles and values we hold dear, they become just like other European countries.

It is worth remembering that countries like Poland have unique expertise when it comes to transformation. We are ready to put our know-how in building a market economy and civil freedom at the disposal of countries of South Eastern Europe.

In 1998 in Belgrade and Pristina I spoke about the 1989 Polish experience of surmounting the legacy of communism in a spirit of co-operation, by doing away with hostile and revenge-seeking sentiments.

There are lots of broken bridges to be rebuilt in Kosovo, Serbia and throughout the Balkans. Linking people and, indeed, whole nations, divided today by a sense of grievance, hatred and a desire to wreak revenge, will be the most difficult task. Still, the reconstruction of these bridges must, and will, get under way, because this is a crucial part of the Stability Pact's "human dimension." ■

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Most Kosovars who were forced from their country by Serb troops during the spring have now returned home. Achieving tolerance between Kosovo's two main ethnic groups represents a profound post-war challenge.

Elaborating a Reconstruction and Development Strategy

by Nikolai Malyshev



Nikolai Malyshev

Courtesy photo.

Now that hostilities have ceased, the difficult challenge of re-establishing social and economic order in South Eastern Europe is at hand. Efforts must now be undertaken to lay the foundations for durable peace and sustainable economic development. International assistance to the region will need to be based on a coherent, long-term reconstruction strategy. This strategy needs to provide a blueprint to ensure that operationally relevant programmes are implemented to not only rebuild economies, but also to advance the causes of democracy, stability, mutual trust and co-operation. A reconstruction plan in South Eastern Europe will require commitment by bilateral and multilateral donors, as well as the countries in the region. There is a need to build consensus around such a strategy with a view to speeding up the economic integration of these countries into the regional and global economy.

One of the key initial tasks of the Stability Pact for South Eastern Europe, adopted in Cologne on 10 June 1999, will be elaborating the details of a reconstruction and development strategy. In light of the work done by the OECD on conflict, peace and development co-operation, such a

strategy would have to be based on a number of fundamental elements. These include an overall *analysis of the situation* in the affected countries, a thorough *assessment of the economic and political risks* in the region, the specific *objectives and components of a reconstruction plan*, and *success indicators*.

Four Fundamental Elements

The **situation analysis**, which would make an accurate assessment of the reality on the ground, is clearly needed. It would cover the prevailing political, economic, social and security environment in the affected countries. It would have to examine the implications of the return of the large number of displaced persons. The analysis would need to appraise the region's governments to operate in the post-crisis environment, in terms of policy, governance, institutions and economic management. A careful and thorough assessment of the macroeconomy and the state of structural reforms would also be required.

A realistic **risk assessment** of the situation would need to be carried out. Paramount would be ascertaining whether political arrangements could withstand the tension and stress over the medium term.

This assessment would consider the prevailing security conditions and whether they provide an adequate environment under which reconstruction could begin. Most difficult of all would be assessing how external assistance could overcome the legacy of ethnic tension and set into motion a process leading to a more just, humane and productive society.

The reconstruction plan's **objectives and component parts** -- including immediate goals and long-term objectives -- need to be articulated. These should cover the principal components aimed at conflict resolution,

reconciliation and recovery that require external assistance. A road map for reaching these various goals and objectives, with an indication of sequencing, need to be developed. Finally, and most importantly, budgetary allocations must be determined.

The strategy will also need to define **success indicators**. Criteria linked to the imposition of conditionality need to be transparent, specific and unambiguous in outlining the consequences of compliance and non-compliance. To be able to ascertain the effectiveness of the plan, a structured and systematic monitoring and evaluation framework needs to be established. Clear measurable benchmarks need to be established by a centralised co-ordinating body to allow for a synchronised monitoring of conditionality adherence and programme implementation.

Given the OECD's work, it is well prepared to assist in the process of devising

such a strategy and implementing various components of the reconstruction effort. In these efforts, the OECD offers two principle strengths.

First, on the substantive side, the Organisation is well equipped to provide objective advice to the authorities in South Eastern Europe on institution-building

and structural reforms. This advice would be based on the accumulated knowledge of the Organisation including its committees of Member countries' policy-makers specialised in a range of macroeconomic and structural policy areas. The OECD can offer a multilateral, comparative analysis based on the best practices of its Member countries. The authorities in South Eastern Europe can benefit from a variety of well-tested policy options rather than a single, ready-made solution.

Second, policy dialogue, persuasion and decision-making based on consensus are the OECD's *modus operandi* and

"It is often said that the Balkans produce more history than they can consume. But Western and Central Europe have demonstrated that history is not destiny."

constitute a unique capacity to help forge a partnership among countries with a long history of difficult relations. The Organisation also has a strong track record in delivering policy advice and technical assistance to transition countries. The OECD's Partners in Transition (PIT) Programme witnessed the successful integration of the Czech Republic, Hungary and Poland into the OECD. The Organisation implements country programmes in Slovakia (within the PIT Programme), Bulgaria, Romania, Russia and Slovenia, which are tailored to their specific needs.

SIGMA advises Balkan governments on public administration reform, while the OECD Development Assistance Committee has developed the Guidelines on Conflict, Peace and Development Co-operation, which provide a framework for analysing conflict and its links with development, and identifying concrete opportunities for donors' assistance in support of peace.

It is often said that the Balkans produce more history than they can consume. But Western and Central Europe have demonstrated that history is not destiny.

Let us hope that the international community working in partnership with the countries of South Eastern Europe can reverse the destructive dynamics of the past and create a new Balkan paradigm of stability and prosperity. ■

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A New Opportunity in the Balkans

Continued from page 7 ►

co-ordination between existing organisations to reduce overlaps and institutional competition, and to be more responsive to specific needs of countries in South Eastern Europe which carry the twin burdens of transition and conflicts. They deserve assistance and co-operation at least commensurate with the advice and criticism they absorb.

We hope that the Stability Pact for South Eastern Europe will be more successful than its predecessors, as a comprehensive initiative where all relevant organisations and countries will have their role and place. Past experiences would suggest that the implementation through the pact's Regional Table should pay due attention to the following elements:

- The Regional Table, while inevitably relying on the decisions of participating states and organisations, should have its own distinct identity and efficient

decision-making procedures. (The final version conspicuously omits this point.)

- It should be action-oriented, project-based and involve long-term planning (in which international organisations have a rich expertise). Projects should be backed by adequate resources and by new and more imaginative co-operation and association arrangements.

- It should encourage and effectively facilitate local and regional initiatives and give priority to the improvement of links leading to integration with the rest of Europe. The region does not really need new leadership, key role players or leading nations, but participation and partnership on an equal basis.

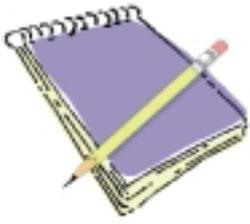
- A development agency (not a new organisation), eventually under the

aegis of the EU, will facilitate a focus on regional issues as well as Euro-Atlantic co-operation.

- The region's countries and their economic sectors should be able to participate and have a real share in the project implementation. This will benefit not only economic recovery and reconstruction, but also the promotion of indigenous private entrepreneurship.

- Last, but not least, we should always keep in mind that the cost of peace and stability is always less than that of war and conflict. ■

Ali Hikmet Alp is a retired Ambassador who works in the Turkish Ministry of Foreign Affairs in an advisory capacity as Co-ordinator for Balkan Affairs. He previously served as Ambassador to India and Yugoslavia and as Permanent Representative to CSCE-OSCE between 1989-1996. Views expressed in this article are his own.



UN Struggles to Reconstruct Kosovo's War-ravaged Civil Society and Administration

by John Nadler

With the withdrawal of Serb troops from Kosovo, the United Nations has been working with local residents to put into place an interim administration. Writing from Kosovo's capital of Pristina, reporter John Nadler describes UN efforts to bring order to the unsettled province in the initial weeks after NATO bombing ended.

Now that the guns of Kosovo have fallen silent, the international presence here faces a task as arduous as the June 12 seizure of this volatile Balkan prefecture: the re-invention of a just civil society from the debris of ethnic-cleansing, anarchy, and war.

"It's a little bit like making a bus, repairing a bus, and driving a bus at the same time," said Kevin Kennedy, spokesperson for the United Nations Mission Kosovo (UNMIK), the agency overseeing civilian rule in this recently liberated Yugoslav province.

Quite simply, the UN has embarked upon an unprecedented job in Kosovo. It is both recreating and reforming a decimated territory while attempting to run the place on a day-to-day basis.

"It's certainly an enormous job," said Kennedy. "The scope of the mission is huge. UNMIK is responsible for everything from sanitation to policing."

With each day, UNMIK and the Organisation for Security and Cooperation in Europe (OSCE), which is supporting the UN in "democracy-building", makes steady progress in its effort to create those civil institutions (schools, health centres, hospitals, election offices, etc.) Kosovars will need to create and live a normal life. But reaching the goal of normalcy will take time. And time is the one thing Kosovo does not have.

Volatile Situation

Three weeks after the arrival of NATO's Kosovo Force (KFOR), the province was still engulfed in lootings, house torchings, and strife between ethnic Serb and ethnic Albanian civilians.

Kosovo's volatility has forced UNMIK to adopt a two-track policy. The body has been forced to establish impromptu institutions in a bid to bring a semblance of order to Kosovo's chaos while still mapping out plans for long-term reform and reconstruction.

KFOR's first emergency was in the area of criminal justice. On Day 17 of KFOR's occupation of Kosovo, Italian peacekeepers arrested 40 Kosovars for looting and arson, placing the total number of locals detained in military jails at over 200. With no civilian courts in place, UNMIK is now establishing a makeshift judiciary which will expedite justice for those charged by military authorities while the international community and local Kosovars endeavor to re-construct the territory's court system.

UNMIK has set up a legal advisory counsel, made up of four Kosovars and three international members, which is mandated to recommend the appointment of judges and prosecutors.

Ensuring Justice

"The idea is to address the overwhelming amount of arrestees and detainees made by KFOR over the past two weeks," said Hans Jorg Strohmeyer, UNMIK legal advisor. "[There will be] two mobile units of two investigating justices, four prosecutors, and one panel of three judges to hear interlocutory appeals against the arrest warrants and search warrants issued by investigating judges." "[Judges] will start to go out into the different [military] sectors," explained Strohmeyer, "to hear the detainees, to provide the possibility of a hearing, to provide the due process accompanied by defense lawyers and counsel identified by the OSCE."

Kosovo's laws will be based on the Federal Republic of Yugoslavia's 1976-77 criminal code, and international human rights charters such as the European Convention of Human Rights.

Where there are contradictions between the codes, "international [human rights] law will take priority," said Strohmeyer. "... The idea is that we will have two judicial units to handle KFOR arrests. This is an emergency decree."

The UN is faced with other emergencies. The chief one is the maintenance of order. KFOR can keep the peace and even conduct arrests, but officials argue that a Kosovar police force is needed to investigate crimes, and pro-actively enforce laws of the land.

Kosovo will eventually need to police itself, and will eventually be able to do this by virtue of an OSCE-run law-enforcement academy which is scheduled to begin accepting recruits as early as August. But again, training Kosovars to be police will take time. To quell the chaos of the present, the UN has ordered the deployment of international police officers to walk the beat in this province.

This deployment officially got under way on 29 June when two UN police officers started duty in the British-controlled capital. This force is expected to grow to 3,000 peace officers before its numbers are reduced to make way for local police who have graduated from the OSCE police school.

"There is meant to be a phased in process by which Kosovars will be brought into the new police force," explained Kennedy.

"Unprecedented" Mission

This programme is one of many in the UN's mandate to re-invent Kosovo. "This is unprecedented," said Kennedy. There are elements of this mission that we have done before in other missions. People like to talk about the example of Eastern Slavonia [in Croatia] and Cambodia.

An International View of Public Sector Reforms

Taking Stock: Assessing Public Sector Reforms (B. Guy Peters and Donald J. Savoie, eds.)

This volume presents international perspectives on key public sector reforms over the past fifteen years. Thirteen authors document successes and failures of reform initiatives in France, Canada, the UK, the United States, Australia and other countries. Their individual contributions raise fundamental questions about the impact of the reform movement on the future role of the public service, on the administrative structures and policy-making capacities of governments, and on public sector values and accountability.

For example, Nicole de Montricher (*École Normale Supérieure, Paris*), writes that privatisation initiatives and budget cuts have often dramatically altered the size of the public service, while at the same time administrative reform is being driven by values borrowed from the private sector. Reform tends to be presented as a purely technical process, but actually carries these borrowed values which are not readily integrated into the public service culture (even if they are not necessarily incompatible with it). On this basis she argues that the framework of interactions between the culture of the public service and the culture of each of its organisations has to be restructured so that public servants can identify professional and ethical benchmarks. De Montricher believes that this can be done, and that it seems likely that the new definition of a public servant will be based less on his or her official status than on the consistency of the principles on which

the identity of the public service is structured and on the relationship that will exist between these principles and the behaviour of individuals -- for example, through a normative rule along the lines of a code of ethics.

In the book's final chapter, co-editor Donald J. Savoie of the University of Moncton (Canada) draws out lessons from the various reform efforts and makes some predictions about what can be expected from future initiatives:

"...public service leadership has a responsibility not only to the government of the day (for policy advice and administration), but also has an obligation to preserve the civil service as an institution."

- Prevailing cynicism about government in most Western democracies will make it difficult for the public service to find success in the public's eyes, but there is evidence that reforms are creating a sense of enhanced public service and responsiveness.

- Most of the successful reforms identified have depended on generating action, with the hope and expectation that cultural change would follow.

- Some reforms have lasting effects, even if those effects do not continue under the name of the particular reform that produced them.

- The pressure to borrow management practices and techniques from the private sector to fix government operations has been and will likely continue to be great, but there are limits to what governments can borrow from the private sector.

- Even if reform is successfully implemented, it is likely to generate a need for a new round of reform.

- Practitioners contrast their "old world", where the emphasis was on

control and command, with the "new world" where government managers are dealt more freedom to manage both human and financial resources.

- Public servants are very demoralised in many countries, and thus a key challenge ahead is to strengthen the confidence that they have in their institution and in its role in society.

- The most important lesson learned is that leadership is important and the most senior permanent officials need to assume a more direct and public

responsibility for the future of their institutions.

In concluding, Savoie asserts that public service leadership has a responsibility not only to the government of the day (for policy advice and administration), but also has an obligation to preserve the civil service as an institution. Further, it has a responsibility to citizens to report on the institution's strengths as well as its weaknesses, and to fix things that need to be repaired. In these respects, it has a responsibility to explain how this institution serves a public purpose in providing public services to all. ■

Taking Stock: Assessing Public Sector Reforms, edited by B. Guy Peters and Donald J. Savoie, 1998, 417 pages. To order: McGill-Queen's University Press, c/o Taylor & Francis, Book Ordering Department, Rankine Rd., Basingstoke, Hants RG24 8PR, England, United Kingdom, tel: (44.1256) 813.000, x236; fax: (44.1256) 479.438; e-mail: book.orders@tandf.co.uk.

UN Struggles to Reconstruct Kosovo's War-ravaged Civil Society and Administration

Continued from page 16

"But these missions were different. In each case, you had an agreement and a timetable for peace set up. Here in Kosovo there is no such agreement." The absence of peace agreement between

Kosovo's Serb and Albanian communities was brutally evident during the first three weeks of the UN's mandate in KFOR-occupied Kosovo. House torchings, murder, attacks, and intimidation exploded across

the province despite the presence of KFOR peacekeepers.

In light of this violence, UNMIK has made it clear that the will for justice is more crucial for the future of Kosovo than even the most modern institutions of justice such as courts, police, and hospitals. Reflected Kennedy: "The point is to get people to restrain themselves, and get on with the task at hand."

Sadly, the legacy of violence in the Balkans will make this task, the creation of a just civil society in Kosovo, infinitely harder to achieve for both the UN and the war-scarred survivors of the 1999 NATO-Yugoslav conflict. ■

John Nadler covers developments in the Balkans for Southham newspapers, including Canada's National Post. He has lived in, and reported on, Central and Eastern Europe for a decade. He can be reached in Budapest at e-mail: johnnadler@hotmail.com.

UN High Representative for Kosovo

On 2 June 1999, UN Secretary-General Kofi Annan nominated Bernard Kouchner to serve as UN High Representative for Kosovo. The 59-year-old Kouchner, founder of *Médecins sans Frontières*, was at the time serving in the Government of France as Secretary of State for Health. In one of his first interviews after being appointed (with *Le Monde*, 3-4 July 1999), he was asked "what is the priority task of the Administrator for Kosovo?". He responded: "I will expound more clearly when I am there, in contact with the population, because nothing can be conceived without them. But, in the immense administrative reconstruction required, security of the two communities is an urgent task. It is necessary to reconstruct an administration that is completely wrecked, because it was in the hands of a part of the population that fled or was exiled, and the other part, the majority, did not have access to it. Everything has to be redone, everything has to be created in Kosovo."



Inbox: A compendium of recent articles and publications

Note: All publications below are available in English unless otherwise noted.

RECENT PUBLICATIONS & ARTICLES

BANDET, Pierre; Pierre DASTÉ; Marine DORNE-CORRAZE; Bernard PERRIN; Serge SALON; and Danielle VILCHIEN. *Les Fonctions publiques de A à Z: Dictionnaire commenté*, 1999, 325 pages. To order: Berger-Levrault, 16, allée des Fresnes, BP 50, Velaine-en-Haye, 54840 Gondreville, France; tel: (33.3) 83.23.28.28. In French.

BODIGUEL, Jean-Luc. "Non-Career Civil Servants in France," *International Review of Administrative Sciences*, Vol. 65, No. 1, March 1999, pp. 55-70.

DE FIGUEIREDO, Jr. Rui J.P.; Pablo T. SPILLER; and Santiago UZBIZTONDO. "An Informational Perspective on Administrative Procedures," *Journal of Law, Economics and Organization*, Vol. 15, No. 1, pp. 283-305.

HARMSSEN, Robert. "The Europeanization of National Administrations: A Comparative Study of France and the Netherlands," *Governance: An International Journal of Policy and Administration*, Vol. 12, No. 1, 1999, pp. 81-113.

JABES, Jak, ed. *Public Administration and Social Policies in Central and Eastern Europe, 1999*, 422 pages. To order: NISPACE, Hanulova 5/B, POB 92, 840 02 Bratislava, Slovak Republic; tel: (421.7) 642.85.557; fax: (421.7) 642.85.357.

JACOBY, Wade. "Priest and Penitent: The European Union as a Force in the Domestic Politics of Eastern Europe (The Reality Behind the Potemkin Harmonization)," *East European Constitutional Review*, Winter/Spring 1999, pp. 62-67.

KOVAC, Polona. "Traditional Public Administration and New Public Management in the Case of Administrative Units in Slovenia," *Javna uprava*, Vol. 35, No. 1, 1999 pp. 29-52. To order: Institut za javno upravo pri Pravni fakulteti, Kongresni trg 12, 1000 Ljubljana, Slovenia; tel: (386.61) 125.40.46; fax: (386.61) 125.12.20. In Slovenian with English summary.

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MILLER, William L.; Ase B. GRODELAND, and Tatyana Y. KOSHECHKINA. *Are the People Victims or Accomplices? The Use of Presents and Bribes to Influence Officials in Eastern Europe*. LGPSRI Discussion Papers, No. 6, 1998, 52 pages. To order: LGPSRI, Nádor u. 11, 1051 Budapest, Hungary; tel: (36.1) 327.31.04; fax: (36.1) 327.31.05; e-mail: lgprog@osi.hu.

SCHMIDT, Morgens and Róisín SCULLION, eds. *Reporting EU Enlargement: the View from Both Sides* (a European Journalism Training Association project sponsored by EC DG-X), April 1999. Available on Internet at: <http://www.ejc.nl>. Hard copies, provided at cost, may be ordered from: European Journalism Centre, Boschstraat 60, 6211AX Maastricht, Netherlands; tel: (31.43) 25.40.30; e-mail: secr@ejc.nl.

Re-Building the Balkans

Continued from page 3

a key element of the rule of law is a reliable administration operating transparently and accountably on the basis of law.

Formal and informal arrangements of democratic control need to be strengthened and, we believe, supported as a priority of the international recovery effort. Again, peace and prosperity will come when citizens trust that their public institutions, and those in neighbouring countries, will act reliably, according to law and in line with "Western" standards. The "Stability Pact" launched under the German Presidency, which was inspired by the Helsinki Accords, is described in a speech by Foreign Minister Joska Fischer on pages 8-9. Good governance and efficient public administration are mentioned, but details have to be worked out. The UN Administrator for Kosovo and the European Kosovo Agency (which will have a regional mandate) will also have to address governance issues. SIGMA is proposing a twofold approach.

"Our aim must be to support viable public institutions operating under the rule of law and staffed by professional trained civil servants."

**Jaako Blomberg,
Under-Secretary of State
in Finland's Ministry
for Foreign Affairs
(see page 12)**

National Sustainable good governance should become a priority target of the Stability Pact and the European Kosovo Agency. It should be supported by conditionality, which in turn implies monitoring. Experience in Bosnia demonstrates how important it is to ensure that there is local ownership of reforms. Experience in Albania, which is described by former First Deputy Prime Minister Kastriot Islami on page 5, suggests that conditionality can only be effective if there is strong co-ordination and determi-

nation amongst the donor community. The 30 July Sarajevo Summit suggests that such commitment might be forthcoming. While there is a pressing need to develop public institutions to run public services and manage reconstruction, these can only be effective if they work within an effective framework of governance. So reform should, as a priority, address oversight (e.g. justice and financial control) and general government management systems which ensure transparency, professionalism, accountability and reliability across government. In particular, for ex-Yugoslavia, urgent attention is needed to adjust the property rights and payments systems and to modernise the framework of administrative law.

International

The Stability Pact provides a framework for a regional approach, and this will be supported by an intensified European integration mechanism (described on pages 10-11). A regional approach could usefully encompass two types of activity: interdependence actions (for example, cross-border pollution or cross-border power lines) and actions to build confidence. The latter could include joint training institutions, a joint procurement policy and monitoring body, a cross-border media supervisory board (similar to the Media Commission in Bosnia-Herzegovina) and inter-state debt resolution arrangements. In addition, as the ZPP payments system is phased out, some joint bank-clearing systems could be introduced. And dialogue and exchange should not be forgotten. On pages 14-15, Nikolai Malyshev describes how OECD could support the process, and on page 16 John Nadler reports on UN efforts.

One of the most important international contributions to recovery will be to help educate public opinion directly, improve the quality of national communication systems and stress the importance of citizens' rights. And, with the weakness of the normal institutional checks and balances found in the "West", regional arrangements should be set up to provide external reviews for national systems as they struggle to develop their constitutional architecture and economic law. Standing review panels could be set up within the framework of the Stability Pact.

" A recent study of the research institute International Crisis Group in Brussels emphasizes that 'a massive financial effort alone will not suffice' to reconstruct the Balkans. Dumping billions of truckloads of aid into a region deprived of effective administrative and financial structures will serve no useful purpose, as aid to Russia has already demonstrated. "
(Libération, 30 July 1999)

Winning the Peace

The Sarajevo Summit represents an expression of confidence in a new start for the Balkans: that we will not allow the tragic scenes which we have witnessed to be repeated; that the states of the Balkans can integrate European and international structures; that civil society and economic activity can re-emerge. All of our countries have a stake in the future of the region, and all of our public administration professionals can contribute to building good governance in the Balkans. Ambassador Ali Hikmet Alp of Turkey argues on page 7 that we must seize the opportunity.

I want to end on a personal note. We in SIGMA have had the privilege of working with many of the affected states over the last few years. Some of us worked with Yugoslavia in the late 1970s. We see what is happening as professionals and hope that we may contribute to recovery and stability. But we also see it as friends, and we want to do everything we can to live up to that special idea of friendship which is so characteristic of the Balkans.

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