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The Failure of EU State-Building: Conditionality and Security State-Building in Bosnia and Herzegovina and Serbia and Montenegro

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In recent years, the EU has emerged as the primary actor in state-building in the Western Balkans. Based on a dual strategy of state-building and European integration, the EU has sought to replace other international organizations in the post-conflict reconstruction of the Western Balkans. The record of this experience has been mixed, however. The paper will discuss the dual approach of the EU and examine its application to Bosnia and Herzegovina and Serbia and Montenegro. It argues that EU approach has relied strongly on the effect of conditionality as a tool of state-building. However, as the case studies will demonstrate, the conditionality approach has been largely ineffective in regard to state-building, in part due to the lack of commitment of political elites to EU integration and the persistence of status issues on the policy agenda. The paper will seek to examine the causes of this failure and what this means for future EU-driven state-building in the Western Balkans (Kosovo) and in other post-conflict regions.

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- What do you have when Bosnia and Herzegovina plays Serbia and Montenegro in soccer?
- A tournament.  

_Bosnian joke_

1. Introduction

Since the early 1990s, different international actors have promoted the reform and creation of states as a solution to the conflicts that erupted on the territory of former Yugoslavia.\(^1\) In fact, one of the first of many failed peace plans has been the “Arrangements for a general settlement” proposed by the EC mediator Lord Carrington for Yugoslavia in September 1991, which sought to create an association of independent republics.\(^2\) Numerous subsequent proposals have been drafted for Croatia (Z4 plan), BiH (Vance-Owen Plan, Owen-Stoltenberg Plan, Contact Group plan), and Macedonia (Ohrid Framework Agreement). Some failed at the negotiation stage, others have been implemented with varying degrees of success. A key feature of these plans has been the establishment of a particular form of state to accommodate competing claims: a minimalist state. As the conflicts were rooted in disputes over governance and ethnic dominance, negotiating the shape and structure of the state in question was the obvious and only alternative to re-drawing borders, a distinctly more problematic option.\(^3\)

Here, we will discuss two examples of such minimalist states that have actually come into existence. Bosnia and Herzegovina (_Bosna i Hercegovina_, BiH) as a state was re-created by the Dayton Peace Agreement in November 1995. The second state was more short lived and came about without a prior violent conflict. Serbia and Montenegro (_Srbija i Crna Gora_, SCG) was formed in 2003 as a successor to the Federal Republic of Yugoslavia and came to an end only three years later after the successful referendum on independence in Montenegro in May 2006.

Both BiH and SCG have been described as ‘confederations’, ‘federations’, ‘power-sharing systems’ and other forms of government. Here, we will consider these as ‘minimalist states’ which barely fulfill functions generally associated with states. In doing so, the paper will address a puzzle and a double dilemma: First, why did SCG fail as a state within three years, whereas BiH (BiH) has continued to muddle along? In tracing the different trajectories of the two countries, the paper will examine EU state-building strategies, identify the weakness of the EU in promoting effective state structures, and outline the inherent tensions between minimal states and future EU member states.

The paper will thus argue that the European Union has not been an effective state builder. This failure is rooted in the inability to transfer accession conditionality to state-building and in the disjointed and haphazard manner in which state-building

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\(^1\) I would like to thank the International Policy Fellowship, which has supported research for this paper.  
has been pursued by the EU. The challenge of building functional states is at the heart of the difficulty of EU integration of the Western Balkans. The ‘stateness’ problem—the contested nature of borders, functions and structure of states—is arguably the biggest obstacle to EU integration. Albania, BiH, Kosovo, Macedonia, and Serbia face varying difficulties on the road to EU membership, but share weak state attributes and strong formal and informal challengers to the symbolic and real state power.

2. Minimalist States: The Seeds of a Future EU Member State?

BiH and SCG were awkward states at birth. BiH post-war institutional structure was negotiated at Dayton with the legal advice of US State Department lawyers. The State Union of Serbia and Montenegro was established by the Belgrade Declaration, which was the result of intense negotiations by the EU High Representative for the Common Foreign and Security Policy, Javier Solana. The origin of the two states and their institutional framework is considerably different: while Dayton was negotiated under intense US pressure after 3 ½ years of war with over 100,000 victims, the Belgrade Agreement was a form of conflict prevention and intended to prevent premature discussions on the status of Kosovo.\(^4\)

Despite these differences, both state projects share key features. Firstly, they both constitute minimalist states and secondly, they both were or have become projects driven primarily by the European Union.

Minimalist states are defined by being limited both in scope and strength of state functions. According Francis Fukuyama, state strength refers to the ability of states to enforce their policies. Here both formal and informal constraints need to be considered. The scope of the state, on the other hand, describes the ‘ambition’ of the state in terms of the fields in which engages.\(^5\) Minimalist states thus firmly fall into the category of weak states both in terms of strength and scope. Unlike failed states, however, minimalist states hold minimal functions and do not have the constitutional ambition to exercise broader functions or possess greater enforcement mechanisms. The constitutional frameworks of BiH and SCG thus institutionalized the stateness problem based on challenges from secessionists units. As the existence of the state as such was challenged prior to the agreements, a key element of these agreements is not only the governance of the state (e.g. power-sharing), or the territorial organization (e.g. confederation or federation), but also the scope and strength of the state.

In terms of the scope of the state, both BiH and SCG have held limited competences, generally limited to foreign policy and basic human rights policies. SCG held more


\(^5\) The agreement clearly stipulated the succession in case of the state dissolution, thus making Serbia the successor of SCG and FRY and thus transferring the commitment to autonomy of Kosovo within FRY to Serbia in UN Sec. Council 1244. Resolution 1244 (1999), 10.6.1999.

competences in the field of defense (at least prior to the creation of the BiH army and ministry to defense in 2004), while BiH has been able to establish a single currency. Neither state has achieved a unified economic space.

Both have also been limited in regard to the strength of the state. The ability of BiH and SCG to enforce their competences has been severely constrained. With no own tax raising capacities (in case of BiH, until the introduction of the VAT in 2006), limited security structures, a clear dominance of the sub-state entities, and weak judicial recourse for the non-enforcement of decisions, the state institutions have been often unable to enforce decisions. Furthermore, central state institutions in both states had limited decision-making capacities, with the sub-state units able to paralyze state-level decision making. The parliament of the State Union, for example, met only irregularly and was very passive, approving only 20 acts during a two-year period (2003-2005).\(^7\)

A third dimension that might be included with features of minimalist states under consideration here is their contested nature. Consequently, they lacked symbolic cohesion and identification of citizens with the state. The very fact that BiH has no lyrics to its national anthem, whereas during the short life of the State Union, Montenegro and Serbia could not agree on a national anthem (a medley of the two states anthems was under discussion), is evidence of the weak commitment to the state.

BiH and SCG as minimalist states have to a large degree been the result of the efforts of the European Union. In case of SCG, the EU’s importance is evidenced by the role played by Javier Solana, EU High Representative for the Common Foreign and Security Policy (CFSP), as mediator between the two republics in early 2002, which resulted in the Belgrade Agreement, signed on 14 March 2002. As a consequence of his strong involvement, the State Union rapidly acquired the nickname “Solania”. Unlike in the case of BiH, international mediation here was restricted to a limited agreement, which only briefly outlined the features of a common state, whereas the constitutional framework establishing the state was left to the negotiations between the two republics. In fact, the State Union was not established for another year, as the discussions over details dragged on.\(^8\)

Bosnia-Herzegovina, as established at Dayton, was arguably originally a product of US intervention and ‘state-craft’ rather than EU state-building. However, by the ten year anniversary of the Dayton Peace Accords in 1995, state-building in BiH has become largely an EU affair. After the EU took over the police and military mission from the UN and NATO/SFOR respectively, it also became the primary political actor embodied by the double-hatting of the post of High Representative and Special Representative of the EU since 2002.

Both SCG and BiH aspire to EU membership. The offer of EU membership has also been made on behalf of the EU with the beginning of the SAA process and reiterated in 2003 at the Thessalonica summit. As a consequence, the EU has become the main international organizations in terms of assistance and conditionality more broadly.\(^9\)

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\(^9\) NATO and Council of Europe have also imposed pre- and post-accession conditions on the Western Balkans.
The Western Balkans, and BiH and SCG in particular, have thus become an area of EU state-building through accession and in the form of the EU CFSP.

Confronted with minimalist states, the EU has thus become the key ‘state-builder’ in the Western Balkans. The EU has been occupied with securing the implementation of agreements and constitutions which establish these minimal states, and promoting a higher degree of integration of the states.

3. The Limitations of Conditionality for State-Building

The fundamental premise of external state-building, including the cases under discussion here, is inability or lack of capacity of domestic state-building. Both in BiH and in SCG, elites are often not generally adverse to state-building as such, but rather invest in the promotion of sub-state units, which essentially constitute alternative state projects. Second, the line between the lack of will and the lack of capacity is often blurred.

In response, three types of external state-building have been pursued by external actors, including the EU. The first type of state-building consists of direct intervention in the structure and construction of the state, i.e. through the creation of new institutions, the imposition of laws and other acts which are conventionally reserved for domestic actors. This form of state-building has been characteristic of external intervention in BiH, Kosovo and further afield in Iraq or East Timor.

The second form of external state-building is conducted through coercion and close monitoring of the state-builders. Here, international actors do not impose laws themselves, but pressure domestic actors to pursue a particular state-building agenda which is internationally defined. Both BiH and Kosovo have moved increasingly to this type of state-building in recent years.

Finally, the third form of state-building could be called ‘long-distance’ state-building. Here, conditionality as a mechanism of the EU’s Eastern enlargement is transferred to state-building projects. The logic of conditionality suggests that elites will transform the institutions of their country if rewarded by the EU with membership. Considering that the vast majority of the populations of the Western Balkans share with their Central and East European neighbor the desire to join the EU, the logic of transferring the experience of conditionality to countries like BiH and SCG appears logical. The failure of the EU to keep SCG together, despite a clear commitment of the member states to EU membership, suggests that state-building through conditionality is by no means as successful as conditionality in the context of previous EU enlargement, or as more direct state-building. Two main reasons why state-building has shifted from direct intervention to conditionality are the incompatibility of direct imposition with democratic governance and rule of law, and the legitimacy crisis of long-term direct intervention.

Here one also needs to distinguish between institution and state-building. Institutional-building has often been at the centre of EU conditionality in Central and

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10 There is of course a broader question to the commitment of parts of the elite to any form of institution building.


12 See reports by the ESI. Available at: www.esiweb.org.
Eastern Europe. State-building similar includes institution-building, as effective institutions are essential requirements for functional states. Nevertheless, state-building extends beyond a mere collection of institution-building measures: it focuses on core governing functions, and thus directly impacts the sovereignty of a state. State-building thus extends beyond institution-building in terms of scope, and as it also focuses on the links between institutions and the conceptual understanding of the state, it is broader than institution-building and often less easily definable.

Certain forms of conditionality can also undermine the minimalist state. A prime example of such centripetal conditions has been the EU requirement for cooperation with the ICTY. On 3 May 2006, a mere two weeks before the referendum on independence in Montenegro, the EU suspended negotiations with SCG on the Stabilization and Association Agreement. With a clear support for EU membership (81.5%) and cooperation with the ICTY (54.8%) in Montenegro, the suspension of talks certainly buoyed supporters of Montenegrin independence. In the run up to the referendum, high ranking Montenegrin officials noted that the State Union delayed the EU integration of Montenegro and made it a hostage of Serbia’s political difficulties. In BiH the situation is reversed; the entity not complying with the ICTY and the main challenger to state authority are the same (Republika Srpska). Because the challenger is responsible for the failure of compliance with ICTY conditionality, it cannot undermine the state. This dynamic mirrors the failure of regional cooperation in Central and Eastern Europe in the process of EU accession, as countries or regions fear of being disadvantaged in the EU integration process by the non-compliance of others. As a result, conditions can undermine minimalist states where the failure of the state remains an option.

If, on the other hand, the conditions are specifically designed to support the construction of a state, why should elites skeptical of the state comply? The emerging literature on conditionality has extensively focused on the broad question of elite compliance. Some authors have focused on the material benefits for elites in complying, while others focus on the symbolic rewards to elites.

As a Schimmelfennig and Sedelmeier have argued, the external rewards (membership, recognition, etc.) help elites to overcome domestic costs. This ‘external incentives model’ has empirical validity for Central and Eastern Europe, but raises a number of questions in the case of the Western Balkans.


15 The prime minister of Montenegro, Milo Đukanovic, for example noted on 7 May 2006, that “Montenegro is in the position of a hostage and has to suffer the consequences for a situation it did not create,” “Nakon pobijedi na referendumu- dijalogn sa EU,” Pobjeda, 8.5.2006.


18 See the case studies in Frank Schimmelfennig, Ulrich Sedelmeier, The Europeanization of Central and Eastern Europe (New York: Cornell University Press 2005).
First, the conditionality for SCG and BiH does not only apply to EU accession itself, but to the many previous steps towards EU integration. Thus in BiH, for example, there where conditions for the beginning of SAA negotiations (‘roadmap’ 2000), the evaluation and expansion of conditions prior to SAA negotiations laid out in the EC feasibility study (2003), and finally the conditions laid out for the signing of the SAA after the conclusion of its technical negotiations. In addition, both BiH and SCG have been subject to conditions by other organizations, such as of NATO/PfP, the post-accession conditions of the Council of Europe and cooperation with the ICTY. The plethora of conditions, all connected to governance and rule of law, are all interlinked, yet distinct and evolving, reducing the incentives for compliance. Furthermore, they offer limited rewards. As new and different conditions emerge (i.e. police reform), there is a sense of an open-ended process, which might be called “pre-accession conditionality”.

Here we will focus on the conditionality of the EU towards Bosnia, as the conditionality in regard to SCG was short lived.\(^\text{19}\)

As brief discussion of EU conditionality in BiH will show, there is no clear list of state-building conditions which the country has to fulfill in order to progress towards EU membership. The current EU Special Representative for BiH, Miroslav Lajčak, noted that “[w]e have to be pragmatic and focus on what is achievable at any given time. At the same time, we must tell political leaders in BiH very clearly what is required at each stage of the EU integration process. Conditions must be met and they should primarily act as motivating factor.”\(^\text{20}\) The problem of state-building conditionality is two-fold: the EU has not been clear in terms of the conditions, and the EU lacks rules in the sphere.\(^\text{21}\) As Schwellnus outlined in the study of non-discrimination conditionality, the effectiveness of conditionality is severely impaired if the EU lacks clear rules in the policy area and if clear conditions are absent.\(^\text{22}\)

The closest document to a list of EU conditions for state-building is the European Partnership document. It contains a general list of conditions, including some which could be considered specific for state-building. The short term conditions the document outlines are police reform, cooperation with the ICTY, reform of the public administration, creation of a single economic space, and improvements in the human rights protection. Among the more detailed political criteria, only a few could be considered relevant for state-building. Here, the European Partnership document calls for increased efficiency of the Parliamentary Assembly, institutionalized coordination mechanisms between the state and the entities, and changes to the

\(^{19}\) After the adoption of the twin-track approach, the EU effectively dropped the requirement of creating a single economic space and negotiations for an SAA began despite serious problems in the functioning of state union institutions. European Commission, “Serbia and Montenegro 2005 Progress Report,” (2005) 561 final, Brussels, 9.11.2005.


\(^{21}\) Gergana Noucheva, “Fake, Partial and Imposed Compliance. The Limits of the EU’s Normative Power in the Western Balkans,” CEPS Working Document, No. 274/July 2007, 9. This has been the most pronounced in the field of police reform, where the EU has insisted on a particular outcome which is not a reflection of any EU policy or even a shared EU member state pattern.

constitution and electoral system to ensure that members of the presidency and of
the House of People do not have to hail from the three constituent people only.23
These conditions hardly qualify as a developed state-building agenda. This
impression is compounded by the feasibility study which the Commission issued in
2003. It notes the problems of BiH, but at the same time suggests that the
“constitution is no insuperable obstacle to reform or to European integration.”24 Near
the end, the study identifies a list of priorities which formed key EU conditions in
regard to state-building. First, it incorporates other conditions, namely those deriving
from the Dayton Peace Agreement itself, as well Council of Europe post-accession
conditions and cooperation with the ICTY. Second, in terms of governance, the
report calls for rendering new state level institutions and ministries functional (i.e.
Ministry of Defense) and increasing the effectiveness of government and parliament.
Other relevant requirements include the reform of the public administration and the
judiciary.

The criteria set out the conditions for the beginning of negotiations on Stabilization and
Association Agreement. Negotiations began in November 2005, after the European
Commission deemed progress in Bosnia sufficient,25 and were completed in
December 2006. The signing of the agreement was delayed until BiH would fulfill
four conditions: police reform, cooperation with the ICTY, public broadcasting and,
public administration reform.26 While these EU conditions suggest that BiH would not
require a constitutional reform to advance towards EU accession, other international
conditions appear to require constitutional reform.

In addition to the EU state-building agenda, the Office of the High Representative
(OHR), as pursued its own state-building project contained in the Mission
Implementation Plan (MIP) and the OHR work plan. This instrument, introduced in
2003, defined the tasks for the OHR and thus sets out the main obstacles towards
ending the OHR mandate in BiH. It also informs the decisions of the Peace
Implementation Council (PIC), which is the highest body overseeing the peace
process in Bosnia and the institution that can end the mandate of the HR. In
contradiction with the EC’s 2003 assessment, the PIC Steering Board noted in
February 2008 that “constitutional reform will be necessary in order to equip BiH to
meet the requirements of a modern European state.”27 Specifically, the PIC has set
five requirements on the basis of the OHR’s plans in order to begin the transition in
Bosnia which would end the mandate of the HR. These requirements constitute a
more modest state-building agenda and include the definition of property (including

23 Council Decision of 18 February 2008 on the principles, priorities and conditions contained
in the European Partnership with BiH and repealing Decision 2006/55/EC. 2008/211/EC.
24 European Commission, “Report from the Commission to the Council on the preparedness of
BiH to negotiate a Stabilisation and Association Agreement with the European Union”
25 European Commission, “Communication from the Commission to the Council on the progress
achieved by BiH in implementing the priorities identified in the Feasibility Study on
the preparedness of BiH to negotiate a Stabilisation and Association Agreement with
663, Brussels, 6.11.2007, p. 53.
27 PIC SB Political Directors, “Declaration by the Steering Board of the Peace Implementation
F. Bieber, The Failure of EU state-building

defence property) between state and entities/cantons and municipality, the completion of the Brcko award, fiscal sustainability, and advances in the rule of law. Formally, then, constitutional reform is not a condition for the end of the OHR’s mandate in Bosnia. Besides the signing of the SAA, one additional condition of the PIC SB, however, requires “a positive assessment of the situation in BiH by the PIC SB based on full compliance with the Dayton Peace Agreement.” This does raise the possibility of further, yet undefined, state-building conditions.

Altogether, the complexity of the international presence and within the EU itself obscures and any clear state-building conditionality. Different emphases and declarations by the EUSR, OHR, PIC and EC delegation reduce the effectiveness of conditionality. A particular problem is the dual process of reducing direct international intervention (i.e. closing the OHR) and the engagement with the EU (e.g. conclusion of a SAA). While the former might be a reward for some political actors, others have sought continued external intervention, and would thus object to the closing of the OHR or similar measures.

4. Measuring the Success of State-Building

Considering the two minimalist states under discussion raises a larger question of what constitutes successful state-building. This question cannot be satisfactorily answered simply by the formal establishment of the state. Neither can the duration of the state over a certain period of time be a measure of success in itself.

Minimalist states are, arguably, temporary states rather than permanent and enduring state structures. BiH and SCG emerged as conflict management projects, rather than as states which would continue in the form in which they were constituted. So what is the long term goal of the state-building project? First, if driven by conflict prevention or management consideration, it might be argued that the absence of violent conflict in itself is a success of state-building, even if the state itself fails. This has in fact been suggested for the EU project of SCG. Although the state dissolved, is succeed in three objectives: a) it ensured a peaceful and orderly separation between SCG; b) it prevented a conflict or deep political crisis in Montenegro between supporters and opponents of independence, and c) it did not prematurely force the status of Kosovo on the international political agenda.

Nevertheless, it is difficult to make a case for the State Union of SCG as a success for the EU. The position of EU until 2006 was clearly in favor of a joint state. This commitment to a join Serbian-Montenegrin state was driven by the fear of a regional domino effect and a broader argument in favor of a stability-oriented status quo. As Noutcheva has convincingly argued, such a stability oriented argument was not persuasive for the elite in Montenegro, as it lacked the normative power and, arguably, was also plain wrong considering the peaceful dissolution of the state union.

28 Ibid.
29 Ibid.
32 Ibid. 25-6.
The State Union could, however, be considered a success in light of the fact that after its dissolution, the stateness of the constituent units has considerably improved. Montenegro's sovereignty and ability to govern over its territory is undisputed today and its status is widely accepted by political actors in Montenegro and Serbia. It might be argued that the Station Union constituted part of the construction of acceptable states from the republics. Here one can note a difference to BiH, where the joint state has not legitimized the constituent units. In the unlikely case that BiH would dissolve, the units would neither be functional nor legitimate to act as independent states. Thus, while the dissolution of SCG could resolve the problem of the weak state, an end to BiH would not.

Returning to the starting point that minimalist states are temporary, they “become” rather than just “are”. Just as with federal arrangements, minimalist states can be centrifugal or centripetal. SCG is an example of a centrifugal minimalist state, where the limited competences gave rise to a level of compliance with the state institutions decisions that was lower than formally foreseen. BiH in the first post-war years displayed similar features, where the institutional reality of the state was weaker than the formal constitutional shape of the state. Since the late 1990s, the dynamics of institutional development in BiH has become increasingly centripetal. It is important to note that this process, however, has been externally driven and the crisis in Bosnian state-building project since the failure of the constitutional reform 2006 suggests that the centripetal process is not the result of the functioning of the institutions themselves, but rather externally imposed.

We thus argue that successful minimalist states loose their ‘minimalist’ scope and capacity and acquire additional functions. This is not to argue that the emerging states should be centralized or unitary, but they will need to increase their scope and strength to a) be able to function as a future EU member state and b) provide services to citizens which allows them to secure popular legitimacy.

The experience of EU external state-building suggests that successful state-building thus rests on three pillars:

1. Commitment
2. Normative Foundation
3. Institutional Capacity

States are often contested projects and can be easily challenged in contexts where alternative state projects exist as ideas or as an embryonic reality. Commitment by state builders to one project over others is often essential in securing their success. In the case of SCG, the alternative to the State Union was enshrined in the Belgrade agreement: Montenegro attained the right to hold a referendum on independence after three years. As there was no challenge to the right of the republics to become independent, the State Union had to compete with an internationally legitimate state project from its creation. In BiH on the other hand, the alternative enjoys no international legitimacy, as exemplified in an interview in March 2008 by the current HR: "BiH is and will remain a united country and its territorial integrity will be preserved. Secession is out of the question, it is simply impermissible and impossible
and that is the alpha and omega of this story. The decision of the EU to shift the bulk of negotiations with Serbia and Montenegro from the State Union to the member states through the twin track approach in 2004, suggested limited commitment to state. It furthermore appeared to confirm the argument of the Montenegrin leadership that the joint state did not facilitate the process of EU accession. Similarly, the financial commitment of the EU to the state was limited. In 2005, the European Agency for Reconstruction had a budget of 147 Million Euros for Serbia and 20.5 Million Euros for Montenegro, but only 7 Million Euros for the State Union.

The normative case for the state is a further key consideration. Not only does it shape the international commitment to the state and the state-building project, but it can also help persuade political elites to buy into the state-building process. As Noucheva has argued, the normative foundation of the State Union has been regional stability, rather than any intrinsic values for the citizens or the elites of the state. As a result, elites from both Serbia and Montenegro have challenged the state union for a) economic inefficiency; b) lack of fairness and c) and lack of tangible benefits in terms of regional stability.

The normative case for BiH of course derives from the war and the ethnic cleansing which undermines the legitimacy of any ethnically based entity in Bosnia. The problem of this argument is, of course, that this normative case is not universally shared by the elite in BiH. This asymmetry is compounded by the fact that this is a case against the entities (or cantons), rather than for the state per se. The second future-oriented normative argument in favor of the state is the promise of EU integration, which is not offered to the sub-state units. It is clear that unlike Montenegro, Republika Srpska would not have international legitimacy and an EU perspective were it to declare independence. Such a normative argument for the joint state has been effective, but it lacks clear functional grounds. As the debate over police reform has shown, arguments on European standards have rung hollow and constituted a form of conditionality which lacks clear basis in standards of the EU or its member states. It can be argued that in a number of aspects, governance in the Republika Srpska is more efficient than at the state level. In fact, the success of the Alliance of Independent Social Democrats in the entity since 2006 has been based on demonstrating the success of the entity and thus undermining the argument for the joint state.

The need for institutional capacity of minimalist states risks at evolving into a circular argument. Functioning institutions are able to provide services and goods which in return secure a centrifugal dynamic in terms of domestic legitimacy. Minimalist states require the ability to meet the dual challenge of managing society's expectations of the role of a state, and be able to engage in the processes which have become measures of success of states in Europe, namely effective membership in the European Union and in other regional organizations, such as NATO. Considering the high expectations of the state by society in the Western Balkans in regard to welfare provision and equally high expectations of the EU in terms of state capacity, the bar

for state success in the Western Balkans is considerably higher than in other regions of the world.

5. Conclusion

The record of EU state-building in SCG and in BiH indicates the organization’s limited capacity in this field. First, the tension between state-building as a foreign and security policy, and EU member state-building, can obscure the clarity of the purpose and legitimacy of external state-building. Furthermore, the institutions and state structures set up in order to manage a conflict are often incompatible with those of a future EU member state. This gap does not only undermine the legitimacy of the state-building project, as demonstrated in the case of SCG; it also short-changes long-term stabilization for short-term stability. Second, the lack of clarity in the conditions for state-building, and discrepancies between broad declarative conditions and specific requirements undermine the effectiveness of state-building. Third, conventional EU accession in Central and Eastern Europe has focused institution and capacity building. In the Western Balkans, there has been a tendency to replicate this process as part of the preparation of accession. However, as noted earlier, institution and state-building are linked, but not identical processes. State-building is more than the sum of different institution building processes.

EU state-building in the Western Balkans has highlighted the void between the highly technical EU accession process on one hand, and security-driven EU state-building on the other. Filling this conceptual and policy gap appears to be the main challenge for EU state-building in the foreseeable future. A first step has been taken in Macedonia, for example, where the concept of a double-hatted EUSR and head of the commission delegation appears to bridge this divide in EU policy. At a conceptual level, the gap highlights a profound dilemma in the enlargement of the European Union: defining standards for a potential EU member state in terms of state capacity and values. This remains an elusive endeavor.