

PLOTTING SAFE PASSAGE ON THE ROUTE TO EUROPE

> *Serbia's road to EU integration is long and difficult, but Deputy Prime Minister Božidar Delic describes a clear route to navigate through bumps, road blocks and detours to our eventual goal.* <

'I am satisfied that we now have a clear plan for the road leading to European Union membership and a good means of testing its validity. And we have also shown that we Serbians love to compete.

From the very moment the results were announced, all our ministries started working harder on regulations, and the assembly began adopting them, especially those related to the Schengen visa 'white list' since it is very important.

In June, there will be a very significant package of regulations on environmental protection, agriculture and trade.

That is why it is important to have that instrument. It is good and will enable us to fully harmonize with European regulations by the end of 2012, and that is fast progress,' according to Božidar Djelic, Deputy Prime Minister for European integration in the Government of Serbia, in an interview for AmCham Perspective conducted at the end of March.'

The EU 'Umbrella' Offers the Best Protection

In a time of economic crisis eurozone members manage the best. Slovenia, Slovakia, Romania, Lithuania and Hungary quickly got big packages of EU support. And EU solidarity did not neglect countries that are in the process of association.

This, actually, was the answer to our question whether there are reasons for satisfaction with the dynamics of realizing what was planned by the national program. In the European Integration Office's recent report about regulation activities in the period of July through December, 2008 revealed that only 27 percent of the regulations planned for that period had been adopted.

The same report states that the executive branch of power (ministries and government) was much more efficient as it pre-

pared and proposed to the Assembly 77 per cent of the regulations stipulated by the program.

Last year was marked by significant events on Serbia's road to accession to the EU: the Agreement on Stabilization and Association was signed, and Serbia adopted the National Program for European Integration. What are the most important steps planned for 2009?

I would add to your list the implementation of the Agreement on Stabilization and Association, which was begun on January 30 of this year, with much less effect on customs revenues than was expected by some. For example, in February customs revenues were reduced by only five million euros due to implementation of the Agreement. As a result, the overall decrease of customs revenues by the end of the year should amount to some 80 to 100 million euros rather than the predicted 200 to 300 million euros. Also we have started visa facilitation and a dialogue on visa liberalization, so we have a stronger platform for the next steps we will undertake after the European Commission report expected in April.

For some time it has been expected that Serbia would be put on the Schengen visa 'white list'. What is happening on this front?

During the Swedish presidency, the decision to include the West Balkan countries on the Schengen visa 'white list' is expected for those countries fulfilling the necessary conditions, and we, of course, are doing our best to present the Serbian case.

The second expected element is the recommendation of the Council for European Integration to the Serbian government to apply for membership this year in cooperation with our European partners. It is no secret that the recent fall of the Czech government makes this difficult, but it also should be said that next step is the activation of the Transition Trade Agreement that, lets hope, will be made possible by the Serge Brammertz report due in June. In the meantime, Serbia has analysed the first report for European integration in which we found some strong and some weak points. The new Parliament dynamic is encouraging, since it



will provide for adoption of the 155 new European laws that the Government has to prepare for Parliament to verify.

Did we receive some laws from Croatia during the recent visit of Prime Minister Sanader to Belgrade?

No, we did not. It is good that we signed with Croatia a technical agreement on European integration, but it would be even better if Croatia showed generosity and presented to us those laws that they have already translated. I hope that they will do so soon.

Among other things we recently succeeded in accomplishing is special approval for Serbia to transform free of charge part of its IPA assets to budget support, and to enforce that by macro-financial support assets. In the second half of April we expect a mission from the EU to discuss that subject with us.

After much expectation about including Serbia in the visa 'white list', do you believe that this will happen during 2009, or it is more realistic to expect further postponement?

Those criticizing me for missed deadlines must be aware that it is easier to be vague, as then nobody can criticize you. That way,

there is no pressure regarding this on our bureaucracy, or on that of Brussels and member countries. As far as the visa regime is concerned, we achieved the signing and ratification of the first stage--visa incentive and readmission--that has been in use for more than a year.

That is why a year of analysis was needed, starting with the dialogue on visa liberalization last year, the arrival of experts this spring and then issuing a report. Now we have a technically normal European dialogue that should produce a result by the end of this year. Now, if I am asked that question again at the end of this year, I will say it will happen a bit later. But, I believe that our citizens, for the first time in last 20 years, will be able to travel with a biometric passport all over Europe. I live for that day, and I believe it is not that far off.

What is your comment on the varying assessments whether Serbia should apply for EU membership?

The EU never suggests that any country should apply. On the other hand, application is not recommended if you are not sure that it will be met by unanimous approval. It is for all member countries to decide whether an application should go on to a further

procedure. It is up to us to be in contact with EU members and choose the right moment to submit an application for membership. Certainly, it is appropriate for their side to initiate the activation process of implementation of the Agreement on Stabilization and Association and for us to immediately apply for candidate status. This would mean that we had completed cooperation with the Hague Tribunal.

Having in mind the consequences of the world economic crisis and all the difficulties of preparing the budget for this year, do you think that Serbia has the capacity to efficiently implement the National program for European Integration?



The European commission often praises our capacity and it is surely strong, but it is not at all in harmony with our means. So we face a big effort to build additional capacity for adjustment and implementation of financial programs with the EU. Our neighbour Bulgaria, which is approximately our size, gets ten times as much money from EU sources. Where we receive 200 million euros a year, they receive two billion euros, and we know that even they have difficulties.

About 200 million euros were taken from Bulgaria, and about 500 million euros more is at risk. That's why it is very important to work on these plans. The present budget crisis forces us as a better choice, to retrain rather than to employ new workers.

According to the latest surveys, public support for European integration has decreased slightly compared to earlier research. Does the Government plan a wider campaign aimed at educating the public or any other effort to explain to citizens how association with the European Union could improve their lives? How would you, in short, explain what Serbia would gain from entering the European union and whether the country would lose anything by membership?

It is obvious that some EU members oppose activating the Agreement on Stabilisation and Association. Their enthusiasm for EU expansion has weakened, and that, along with the effect of the economic crisis, clearly indicates dwindling support. But within Serbia

there is still a high level of support for entering the EU, compared to other countries in the region. We still have a wide-ranging consensus in favor of joining. What do Serbians get from this? Above all, they get their society, economy and administration functioning at a high level to meet the needs of citizens and industry. That's why Norway, a non-member country, has harmonised with the EU. Norwegians recognized that adjusting to EU standards is positive in itself. So, if we join, we are not doing it to please anybody else. The benefits will be for ourselves. Naturally, joining the EU involves a range of other advantages. One of the first is that war among EU members is inconceivable. It is often forgotten, but the EU is a guarantor of peace.

Another consideration should be our income from the EU. Our current 200 million euros a year could increase to two billion. As an EU member, Serbia would enjoy wider support of the European Investment Bank, EBRD and support from the structural budget. We have begun negotiation for a loan of 200 million euros for infrastructure in the areas of science and technology. We have to use this money as a bridge to the time when we are qualified to draw on assets from EU structure funds.

Then we would have increased power to attract people and projects that invest money. As an EU member Serbia's university degrees will be more widely recognized, its workforce will have greater mobility. By any measure, we will have more complete lives. Membership in the EU represents validation of the quality of a particular society and a sign of economic and investment safety. The investor would always rather choose an EU country.

This Government proclaimed European integration as one of its priorities. What would you name as a key area in which you will be active during your mandate?

There are several levels of adjustment, but when we come to the industries it means that our dairy industry can export, and our farmers can place their products in the biggest European markets. There is an opportunity for hundreds of millions of euros of profitable exports. Investors from the food industry expect improved possibilities to export. In the domain of economic know-how we did not formerly invest enough and so must pay more attention to this. Every country invests in knowledge, including China and India and many petromonarchies. Serbia must also invest in knowledge, otherwise we will be doomed to mediocrity. We can achieve entrance into the world of economic knowledge only in partnership with the most advanced companies and nations. The Council for European Integration has supported the Government to review the possibility of applying this year for EU membership, and that has to be done with our European partners.

But, Holland, for its own, well-known reasons, is still strongly against Serbia entering the EU. How do we overcome that fact?

It is clear that Holland's attitude is very hard, and this along with the economic crisis, EU parliamentary elections and German elections makes our position considerably more difficult. Often, working toward European integration is frustrating. There are many unpredictable events beyond our control, but this should not discourage us. For any work on European integration will have a positive affect on our country, and we really have no alternative – said Božidar Đelić in an interview with AmCham Perspective.