

NEWS



What's left? »

Why has everyone signed up to the notion that there is no alternative to austerity? **EUROPA 9**

THIS WEEK

Intercontinental fights

Jean Pisani-Ferry suggests that reducing suspicion could ease the hostility to including aviation in the emissions-trading scheme. **COMMENT 10**

Bringing Roma in from the cold

Hannes Swoboda explores how the EU's institutions can boost Roma representation. **LETTERS 11**

Road-trip barriers

Giving cars the same freedom of movement as people. **FEATURE 16**



Too many notes

Finance ministers quail at a one-man equivalent of the Eurovision song contest. **ENTRE NOUS 19**

EuropeanVoice.com

The killer of Toulouse was born, raised, and distorted in France, writes Dominique Moïsi

THE WEEK AHEAD

4 APRIL

Weekly Commission meeting, Brussels. On the agenda: registration of motor vehicles.

4 APRIL

European Central Bank governing council meets, Frankfurt.

4 APRIL

Slovakia's parliament reconvenes after general election, Bratislava. On the agenda: confirmation of new government.

4 APRIL

Assembly of European Parliament and parliaments of eastern neighbourhood ends, Baku,

Azerbaijan. On the agenda: Eastern Partnership.

4 APRIL

EU-Iceland joint parliamentary committee meeting, Reykjavik, Iceland. On the agenda: Iceland's accession negotiations with the EU.

4 APRIL

Parliament working group visits Ecuador. On the agenda: EU relations with Andean Community.

4-5 APRIL

Parliament delegation for relations with Palestine visits the West Bank and East Jerusalem.

4-5 APRIL

MEPs from the Parliament's foreign affairs and budgets committees and the Maghreb delegation visit Tunis. On the agenda: EU-Tunisia relations.

5-9 APRIL

EU institutions closed for Easter holiday.



ENLARGEMENT Montenegro

Montenegrin prime minister defends fight against crime

Lukšić: we are meeting EU accession conditions

Commission to report on progress in mid-May

Toby Vogel
tobyvogel@economist.com

Igor Lukšić, the prime minister of Montenegro, has defended his government's record in fighting corruption and organised crime ahead of a decision by the European Union on whether membership negotiations should start.

EU leaders agreed last December that accession talks should open in June if Montenegro met certain requirements, primarily in the field of judicial reform and combating crime and corruption. Štefan Füle, the European commissioner for enlargement and neighbourhood policy, is expected to report to the member states by mid-May on whether Montenegro has done so.

Crime and corruption

France, Germany, the Netherlands and Sweden voiced concerns ahead of December's decisions that Montenegro's government had not done enough to weed out the crime and corruption said by observers to have run riot under Milo Djukanović, Lukšić's predecessor. Djukanović dominated Montenegrin politics as both president and prime minister for 20 years following the demise of Yugoslavia.



IGOR LUKŠIĆ Setting an 'example' for neighbours. REUTERS

KOSOVO

Štefan Füle, the European commissioner for enlargement and neighbourhood policy, on Tuesday (27 March) launched a feasibility study for Kosovo's accession to the EU in Pristina. The feasibility study is a precondition for Kosovo to establish contractual relations with the EU, five of whose member states – Cyprus, Greece, Romania, Slovakia and Spain – do not recognise it as an independent country.

The feasibility study does not prejudge whether the EU will actually offer Kosovo, a former Serbian province which declared independence in 2008, a stabilisation and association agreement, the first step towards eventual membership. Initiating a feasibility study was offered to Kosovo's government early in March as a reward for a compromise on the way Kosovo presents itself in international meetings.

"We haven't stopped working very hard," Lukšić said, pointing to new anti-corruption legislation and several high-profile court cases that are in their final stages, with verdicts expected within a few months. This, Lukšić said, demonstrated "credible efforts that we're investing in tackling the problem". "Bit by bit, through legislative changes,

through building of administrative capacities, we're making everybody aware that this is high on our agenda," he said.

Judicial reform

The European Commission has introduced several innovations in the way it manages Montenegro's membership application and its future accession talks. It

plans to open talks on the difficult policy chapters dealing with the judiciary and related issues early on, to prevent them delaying the overall process. It has also invited officials from Macedonia and Serbia – both membership candidates that have not yet opened accession negotiations – to sit in on preparatory talks, the latest round of which is taking place in Brussels this week.

The 35-year-old Lukšić, who took office at the end of 2010, said that the last year and half showed how "things have quickly changed in Montenegro", a membership candidate since December 2010. "The government's openness encourages other segments of society to become more open, to change the way politics is done in Montenegro," he said. But, he conceded, a "pretty conservative approach to politics" still prevails in the country.

He said Montenegro served as a "positive example" for its neighbours and that the whole region of the western Balkans had made progress over the last year. The regional situation a year ago had been marked by Serbia's "non-co-operation" with the United Nations war crimes tribunal in The Hague, by "desperate tension between Belgrade and Pristina" and by the inability of leaders in Bosnia and Herzegovina to form a government – all issues that have been resolved in the meantime.

ENLARGEMENT Croatia

Croatia says it will deal with 'shipyards problem'

Toby Vogel
tobyvogel@economist.com

Croatia's government has pledged to tackle its principal obstacle to European Union accession – the loss-making, state-owned shipyards.

Vesna Pusić, Croatia's foreign minister, said in Vienna last Friday (30 March) that the question of shipyards would be "cleared up by this summer", before the European Commission issues a monitoring report in October. That report will be crucial in deciding whether Croatia can join the EU on 1

July 2013, as planned. Štefan Füle, the European commissioner for enlargement and neighbourhood policy, will issue an interim report on Croatia's progress on all its other commitments later this month, probably on 20 April.

Privatisation annulment

Last week, the government sold the country's largest shipyard, in the port city of Split, to a local bidder, and forced a smaller shipyard into bankruptcy. But it annulled the privatisation of two other shipyards because bidders failed

to provide viable plans for the continuation of their operations. Croatia's centre-left government will now have to decide whether to close them down or to make another attempt to sell them. If the shipyards – once among Croatia's leading firms – are not privatised before the country joins the EU in July 2013, they will have to repay close to €2 billion in state aid that is illegal under EU rules.

Füle's interim report later this month will focus on competition policy, judicial reform, and wider issues of justice, liberty and security, leaving the shipyards issue until the October monitoring report. But Finland, the Netherlands and the UK have said that they will start ratification of Croatia's treaty of accession – signed last December – only once Croatia

receives an overall positive report from the European Commission. A negative, or insufficiently positive, report in October would make the July 2013 date difficult to achieve.

Croatia's government last week acknowledged serious problems in absorbing pre-accession funds from the EU. Of the €668 million available in 2007-11, Croatia concluded contracts for €276m, or 42%, and actually spent just €138m, or 21%, according to Branko Grčić, Croatia's regional development minister. The government devoted an entire session to the problem this week, and identified slow project preparation and weak applications as the main problems. The European Investment Bank has threatened Croatia with penalties if it does not speed up the absorption of EIB funds.

INDEX

| | | | |
|-----------|---|------------|----|
| NEWS | 2 | PROFILE | 8 |
| ANALYSIS | 4 | EUROPA | 9 |
| EDITORIAL | 6 | LETTERS | 11 |
| OPINION | 9 | ENTRE NOUS | 19 |