

CONCLUSIONS OF THE EXPERT GROUP ON
THE FREEDOM OF MOVEMENT OF GOODS
AND PEOPLE IN THE DAYTON TRIANGLE—
THE CREATION OF A FREE TRADE ZONE IN
SOUTHEAST EUROPE

IGMAN INITIATIVE



At the Fourth Session of the Igman Initiative (October 19 – 21, 2001 Dubrovnik) the following positions were adopted by the membership. These positions were drafted by the expert group for the freedom of movement of goods and people across common borders:

1. As one of the steps towards defining a model for the reestablishment of understanding and peace between the states and peoples of the Dayton Triangle as well as towards improving the overall relations in Southeast Europe, we call upon the governments of Bosnia and Herzegovina, the Republic of Croatia and Yugoslavia, following the signature of bilateral free trade agreements, to bind these agreements with the goal of creating a unified multilateral agreement that would later be open to all other countries in the region.
2. Prior to the execution of the project for creating a free trade zone, it is important to point out the fact that cooperation and economic ties of the three countries, with the perspective of expanding the process to all countries of the region would have a special significance
 - for the expedited economic development and prosperity for every individual country as well as the region as a whole.
 - for the strengthening of the position of the region in preparation for ascension into the European Union and the following participation within that Union
 - for the improvement of status when approaching third markets and for foreign investment from private capital and transnational corporations
 - for more successful participation in the globalization of the world market
 - for the expansion of the market in this region
3. Throughout the contemporary world, countries are joining together in regional networks, which reflects the fact that, with the exception of this region, a country cannot be found in the world which does not in some way connect, and even integrate with its neighbors. If this is recognized as beneficial and useful for all, then there is no reason to

believe that this region would be an exception. Regional cooperation in this area is compatible with the interests of the participating countries and at the same time represents a responsibility that is expressed in all relevant documents of the European Union and other initiatives, including the Stability Pact for Southeast Europe.

4. Regional cooperation can be brought about in different ways and in different forms. Recognizing that Southeast Europe was recently a place of armed conflict and the resulting lack of trust and the lack of any type of communications, it is understood that the first steps for overcoming this situation must be modest and careful, and almost completely instigated by the international community.

It is encouraging, however, that cooperation has begun and it is understandable that it has grown in the form of bilateral connections and relations which remind us of a long past time.

In adopting the Memorandum of Understanding on Trade Liberalization and Facilitation (June, 2001), the countries of Southeast Europe accepted the obligation to, by the end of 2002, complete bilateral free trade agreements with all other countries in the region. That initiative is certainly significant, however it is not limiting – on the contrary – it just opens the space for future steps in advancing goals which are supported through the formation of a free trade zone within the entire region. In addition, the goal of the movement of NGOs gathered together under the umbrella of the Igman Initiative is to expedite these processes, so that in any event it would not be mandatory to wait until the end of 2002 to meet these obligations.

5. The beneficial effects of the multilaterally agreed reductions or eliminations of various barriers to international trade in smaller or wider areas have been spelled out in the existing economic literature. If these reductions and eliminations are partitioned into a network of bilateral agreements, the effects are significantly smaller. The world has very few examples of bilateral tariff agreements, where multilateral arrangements cover the entire globe.

Therefore in this area it is also necessary to enter this phase of negotiations concerning a free trade zone as soon as possible, as an unavoidable link in the further multifaceted connection of the

economies of these countries on the path to the gradual articulation of the mutual common economic interests and creating a unified economic identity of the entire region of Southeast Europe.

6. Achieving this level of economic success in the countries of the region would greatly enhance its position in international economic affairs and on the world market. Through these steps, this would also strengthen the position of these states in the process of EU ascension and later, in participation in the EU. Individually, these countries would have no influence whatsoever (with regards to the distribution of votes) and wouldn't have the capabilities to forward their interests in an adequate manner. However, as a single economic entity, the role of the region would certainly be better served in meeting their needs and interests. It is important to add that there is great reason to believe that the EU itself would be more vital and stable if a certain balance of interests could be achieved within, compared to the current, strong positions of one small group of countries which have a disparate amount of votes compared to all of the others.
7. All actions undertaken in the economic sphere, including those related to the free trade zone, will not demand any sort of political unification of the region, and to an even lesser degree require any sort of binding of a national-political character. Many systems of integration exist in the world – mainly neighboring states which maintain strictly economic relations. In addition, however, there is the European Union which has the goal of creating a state union. But through all of the past decades of work, this goal has yet to be achieved.

The positions defined by the expert group of the Igman Initiative were presented in March and February, 2002, to Vojislav Kostunica, President of the Federal Republic of Yugoslavia, Stjepan Mesic, President of the Republic of Croatia, and Beriza Belkic, Chairman of the Presidency of Bosnia and Herzegovina.