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WHAT ABOUT THE ADRIATIC ?

By Dr. Sandro Knezović

Special bond between humans and 'big waters' is most probably as old as the mankind itself. Not only that the seas provided inspiration for mythology and even religions, but they also facilitated trade and commerce and connected people with different cultural backgrounds. The development of means of water transport has contributed substantially to that. People began trading with items others did not have or, in some cases, have not seen at all. Apart from cultural exchange, this prompted the economic one as well and small ports started attracting many merchants from distant places, representing cradles of capitalism.

The same applies for the Adriatic, where different cultures, religions and even political systems were intertwined. It is no wonder therefore that cities like Dubrovnik and Split

were actually more linked with cities like Ancona and Venice than to cities like Skopje or Belgrade, even during the time when they actually belonged to the same state together with last two. The structure and complexity of the terrain in the Balkan Peninsula obviously also contributed to that.

Obviously, the Adriatic, as any other sea, has an outstanding role not only in fusing the littoral states but beyond and therefore its protection and sustainable development is more than just a matter of regional consideration.

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The state of play

In practice, the current state of play shows problematic trends. First of all, there are significant socio-economic differences and levels of development of Adriatic countries. Basic macroeconomic indicators, like the GDP *per capita*, unemployment rate and consumer price index, vary significantly in the wider region. While some countries are EU members (Croatia, Italy and Slovenia), there are those who are still pending for membership (Albania, Bosnia and Herzegovina, Montenegro). That of course creates significant difference in realistic possibilities for balanced sustainable development. This is clearly reflected in differences in quality of energy infrastructure and networks, affecting directly the sustainability and adequacy of supply. The transport infrastructure is also quite divergent, having an impact on connectivity of sea ports with other means of transport (road, rail).

As a consequence of that, as well as of increased naval transport and drilling activities, the pressure on the ecosystem is mounting and threatening to cause significant damage to the wider region. The immediate consequences of climate change – fires, droughts and flooding - are being increasingly visible with all their devastating effects, while the countries show limited capacities to tackle them in appropriate way. The fact that the touristic industry is used to supplement shortfalls of waning industrial production and recreate balance in the field of current account, blurs the picture of well-managed and sustainable tourism in the Adriatic.

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Management indeed seems to have been a key word in the wider region for certain period already, where global threats to security (like terrorism and organised crime) pose a substantial challenge to the overall functionality of already over-stretched system of governance on national and regional level. This, of course, raises the question of sustainability and stability of the entire region in the period to come. If we add to that numerous bilateral issues that are burdening relations among states in the wider Adriatic region, it becomes clear that there are multiple challenges to sustainable development in the forthcoming period.

The EU Strategy for the Adriatic and Ionian Region

Only a simple look at the geographic map of Europe reveals the importance of the Adriatic for the mobility, transport and overall stability of the entire continent and therefore logically it attracts a lot of attention of the EU. In line with the broader policy of macro-regional development, the EU has developed a Strategy for the Adriatic and Ionian Region in 2014. Being built on the experience of the Adriatic-Ionian Initiative that dates back to

the early 2000, it represents an attempt to promote tenable economic and societal development by fostering co-operation among four EU and four non-EU countries in wider region¹. The strategy focuses on four fundamental pillars – Blue Growth, Connecting the Region, Environmental Quality and Sustainable Tourism.

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Blue growth focuses on expanding the potentials of the region's sea and littoral areas through different innovative concepts like blue energy, aquaculture and blue biotechnology. It actually makes an effort to boost sustainable economic development and job creation through wider regional research and development platforms in areas like deep sea resources, bio-technologies and bio-security. In addition to that, a lot of efforts and attention would be dedicated to sustainable fishing, as well as to marine and maritime governance and services. Namely, while uncontrolled over-fishing threatens to endanger the stability of ecosystem in the region, diverse administrative concepts and lack of co-ordination negatively affect capacities for regional maritime governance.

Connecting the region tackles the issue of infrastructure incongruity between EU members and non-EU states. In practical terms, the difference in the level of development between the two categories significantly affects the overall interconnectedness in the region. Therefore, improving transport and energy infrastructure, in particular establishing and amplifying a port system and connecting it with hinterland in an intermodal manner, represents an important priority for this pillar of the strategy.

Environmental quality represents a basic precondition for the maintainable economic and social development of the region. Therefore the strategy aims at fostering regional co-operation in this field and focuses particularly to the marine biodiversity and pollution of the sea. In the first sector it will strengthen the enforcement and monitoring system, together with the framework for coordination of activities for sustainable resource management. In the second one, it will deal with the oil spills and noise pollution, developing water and solid waste treatment plants, but also with the impact of climate change on biodiversity and natural habitats in the Adriatic and Ionian basin.

Sustainable tourism focuses on developing capacities of the macro-region in the field of sustainable, innovative and responsible tourism. In order to achieve that, the strategy aims at fostering the diversified touristic offer and adequate management in that field, together with developing co-operation in the

1 EU members – Croatia, Greece, Italy and Slovenia. Non-EU members – Albania, Bosnia and Herzegovina, Montenegro and Serbia.

field of sustainable tourism at the regional level. It also attempts to redefine the sector in order to become less dependent on its seasonal concept as well as to reduce its environmental impact. Obviously, in wider region, tourism is not managed in the appropriate way, which is having a negative impact on the environment in broader sense. Due to high level of dependence of local economies on income from tourism, it also raises a question mark over sustainability of the existing economic systems.

Challenges of functionality

As with any other strategy, the essential preconditions for its implementability are hidden in the field of governance and financing. In other words, the capacity to govern and finance differs viable strategies from well formulated wish-lists.

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Namely, in the first field, the governing mechanisms are of fundamental importance for sustainable and efficient implementation. This requires a strong political leadership and functional decision-making procedures in each of the aforementioned four pillars, as well as a clear division of labour among partners that is necessary for any viable action plan. The

organisational logics adopted by the strategy – one EU country and one non-EU country in charge of each pillar – is obviously designed with the intention to bridge the capacity gap and to support the later to meet the standards already acquired by former. However, it also raises a lot of questions about interoperability and capability to have a fair burden-sharing in the process, especially when it comes to political will and administrative capacities. Also, when one analyses the envisaged division of labour (Pillar 1 – Blue growth – Greece and Montenegro; Pillar 2 – Connecting the region – Italy and Serbia; Pillar 3 – Environmental quality – Slovenia and Bosnia and Herzegovina; Pillar 4 – Sustainable tourism – Croatia and Albania), it becomes fairly clear that the leading idea was to avoid having the scenario in which bilateral disputes are actually blocking the entire functionality, rather than selecting ‘an operational team of two’ on a merit-based principle.

When it comes to funding, the strategy could potentially benefit from the fact that its initiation coincided with the start of the 2014-2020 programme period. That opens a possibility for it to be incorporated in EU, national and regional programmes and hence become a subject to EU policies in that period. Mobilisation of EU and national funding mechanisms is essential for any progress in designated four pillars of the strategy in the forthcoming period. Other than the aforementioned structural funds, that are available to the EU member states, the Instrument for Pre-accession (IPA) also offers a substantial amount of financial assets.

However, as we all know, not all EU funds that were available for different purposes have been withdrawn in their entirety. *Au contraire*, there were many occasions in which lack of adequate institutional capacity, political will and know-how have prevented the use of large amount of available funds even for states with several times higher comparable withdrawing capacities. This leaves a huge question mark over the capabilities of countries in the wider region – in particular non-EU states – to make rational use of the funds that will be available in the upcoming period, not even to speak about capacities to find compromises on regional priorities.

While these two elements, if not managed appropriately, could represent a real technical obstacle to the implementation of the strategy, there is a fundamental one that seems to be entirely omitted by those who were drafting the text. Those who read carefully the EU Maritime Strategy for the Adriatic and Ionian from 2012 will notice two important facts. First, the maritime strategy foresees a possible scenario in which EU member states might ask the Commission to draft an EU Strategy for the Adriatic and Ionian and it suggests that the maritime strategy itself should be considered a first component of that future document. Second, sharing the same structure with other strategies, the maritime strategy dedicates entire pillar to the issue of safety and security in the wider macro-region. The same issue has been entirely omitted in the structure of EU Strategy on the Adriatic and Ionian and has been only briefly mentioned in the wider context of transport and energy connectivity.

Hence, not only that there is an issue with consistency when it comes to drafting two EU strategic documents for the same region in less than two years, but there is obviously one with understanding and appropriately tackling the issue of safety and security in the wider Adriatic and Ionian basin.

Instead of conclusions

The security challenges in the wider Mediterranean and the consequences they caused in the wider EU are representing the most serious issue of the present macro-region, in particular taking into account its geographic location. The complexity of security governance in the macro-region, stemming from a number of vessels and people that fluctuate on regular basis, is screaming for the enhanced regional co-operation. Strict implementations of EU and international regulations and capacity building of countries in the region in the field of maritime security represents the only viable way to tackle rising threats of organised crime and terrorism. Having in mind expanding commercial shipping, oil and gas transport and maintenance, it is clear that there is a need to increase the capacities of the countries in the region to monitor maritime transport, provide crisis-management services and environmental protection. Having in mind their limited capacities, it is obvious that the region should aim at the added value of synergy in regional response. Given EU's aspirations in foreign and security policy and importance of stability of this macro-region in current geostrategic setting, what better framework for this

endeavour than the aforementioned strategy can one imagine? This seems rather clear, especially in the context of Turkish strategic drifting and recent Montenegrin NATO accession, which has encircled the Adriatic symbolically.

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Lastly, the economy-security nexus does matter, in particular in the macro-region like the one in our focus. Namely, we are all aware of limited industrial capacities and macroeconomic performances of countries in the Adriatic and Ionian basin. This is a fact for all of them and not only for transitional economies of non-EU countries. Broadly, southern EU members are significantly trailing behind the EU average macroeconomic data and their economies significantly depend on income from tourism which is developing slowly and showing modest capacities to overcome its seasonal nature. One can only imagine what could only few security incidents (terrorist attacks or environmental accidents linked to energy transport) do to tourism industry in wider region and consequently to stability of national economies in respective countries. And

investment in security always appears as a luxury in stable periods, but when the crisis erupts with all its severe consequences it is often too late...

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Therefore, an implementable strategy, based on sustainable security framework, is undoubtedly something that is needed in the Adriatic and Ionian basin. The current one looks like a good basis for that, but still far away from the desired level. Checking the progress yielded from it ends up with even more modest results. There is only one project worth mentioning here, related to Pillar 2 (Connecting the region), and that is the Peljesac bridge and recent decision of the European Commission to provide 80% of financial assets for it. While this big project is essential for connecting a pocket of EU territory (Dubrovnik region) with its wider mainland, all other endeavours are of limited significance. Hence, if the EU has an ambition to portray itself as an accountable player in this part of Europe, it will obviously have to invest additional efforts into the existing framework of action. This again is the way to diversify a well formulated wish-list and a viable strategy. Otherwise, we are facing a vacuum in strategic thinking about this macro-region manifested by high EU official who responded to a very

concrete question about the strategic landscape of the wider Adriatic region raised by the author of this text by saying: 'What about the Adriatic?'

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