

Conditionality, the principle of Differentiation and the principle of Compartmentalization. Through the conditionality principle, each state became aware that its ability to become a recipient of the benefits emanating from the establishment of closer relations with the European Community depended upon its capability of introducing and implementing political and economic reforms in accordance with those existing in the West. With the differentiation principle the European Community made clear that while it would follow the same format of contractual relations with each state, however, the specific provisions of each agreement would have to be negotiated bilaterally between the EC and the state concerned. Finally, through the compartmentalisation principle, the European Community indicated that since it could not approach all Southeast European states as a block it would have to group them into different 'waves' and invite them to start negotiations one after the other. Hence, the "step by step" relationship that developed between the EC and the SEE countries came as a natural outcome of the implementation of these three principles.

Since EC maintained its policy of classifying all ex-communist SEE countries in eastern Europe's 'performance league' throughout the 1990s and Turkey and Greece continued their distinct roads towards the EC, by the end of 1998 EC's relations with the SEE countries presented an astonishing variety. Greece was a full member; Slovenia was a member of the first wave of enlargement; Bulgaria and Romania were members of the second wave of enlargement; Turkey's eligibility for negotiating its entry had been denied; Albania and FYROM had established a trade and co-operation agreement; Bosnia was eligible for PHARE funding but not for trade and co-operation agreement; Croatia was just a simple member of the Regional Approach and the FRY was without any official contacts with the European Community. The establishment of bilateral links between each country and the EC and the absence of an integrated approach to the region's problems became a serious obstacle to their solution. In fact, it accentuated the differences of peoples and states as well as their traditional prejudices towards each other. For instance, for those countries with relatively advanced forms of relations with the EC (Slovenia, Bulgaria, Romania), the strengthening of co-operation with the region's less developed countries was seen as a distraction from the ultimate goal of EC membership. For those countries with weaker (Albania) or no (Federal Republic of Yugoslavia-FRY) contractual relations with the EC, the aid and financial assistance was too small to make a difference (in fact, the linking of G-24 assistance to foreign investment activities led to the paradoxical situation in which the poorest ex-communist countries received only a fraction of the assistance to wealthier ones). As a result, the EC appeared as an institution unable to provide effective solutions to the region's serious, social, economic, cultural and political problems. It was the civil war in Yugoslavia and especially that in Kosovo that challenged the European Community's traditional strategy and vision in the region.

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The violent disintegration of Yugoslavia with the social, political and military instability it caused in the region and the increase in the level of concern of all major European countries, brought up memories of the First World War and reminded the latter that