region or beyond, it risks losing some of that leverage in a country where, by its own admission, too many of the big problems remain unresolved.

## CONCLUSION

It took ten years, and the seismic jolt of Kosovo, for the EU to fashion a coherent, long-term leadership strategy for itself in Bosnia and south eastern Europe. After much trial and many errors its response to the strategic challenge of the Yugoslav wars of succession now seems in place. But what of the existential challenge?

First, Yugoslavia forced the EU, really for the first time, to confront the issue of ethnic and sectarian conflict. The crisis challenged the very foundations of the Brussels doctrine of "civilian power"- that the promise of economic rewards, including the possibility of association and even full membership, and or the threat of economic sanctions, can pacify countries or regions torn by conflict, including conflict flowing from the demands of ethnic nationalism. It raised the possibility that some protagonists cannot be bought off or otherwise persuaded by such means. What made the Yugoslav case existentially unsettling for Brussels was thus the seeming irrationality of its ethnic wellsprings, which put in question the EC's liberal, rationalist premises. These held that ethnic nationalism was a relic, quaint and folkloric at best, politically and economically irrational at worst, whose demise was pre-ordained in the process of economic modernization and integration. But in this case it seemed as if the rational inducements of economic assistance and market access and the deterrent effects of sanctions had little impact on the course of the conflict, seriously altering neither the perceptions nor the priorities nor the conduct of the belligerents. As one observer has noted, "aggressive nationalism has so far been largely insensitive to economic incentives" (Crnobrnja 1994: 257).

Ten years' experience seems not to have altered much in the EU's governing doctrine with respect to ethnic nationalism. The consistent theme of its policies in Bosnia, Kosovo, Montenegro and Macedonia has been to reject proposals for ethnically-based "solutions" such as partition or secession. The underlying premises of the SAA programme and the Stability Pact, too, are consistent with the notion that economic incentives will indeed trump atavistic urges – this time around. The difference now, it is assumed, is that the peoples of the Balkans and their leaders have a decade's experience of the consequences of those urges, and that Europe's response is more resolute.

Second, in 1991 the EC saw the Yugoslav crisis as an opportunity to give its emergent CFSP a running start. In its eagerness to get beyond the limits of "civilian power" it forgot where its comparative advantage lay, and how fragile the bases still were for any venture into the realms of high politics. If its capacity to influence others had been demonstrated anywhere, it was in the realms of trade and aid. By contrast, what the proposed CFSP should do, and how it should do it, were still matters of fierce debate in the pre-Maastricht IGC, and its predecessor, EPC, was hardly an unblemished success. In retrospect, then, it was a mistake for the EC to assume the mantle of leadership thrust upon it by the US, since it did not yet have the capacity to act as a full-service great power.