Lost beneath the bloody headlines from Afghanistan, Darfur, Iraq and Lebanon is the fact that 2006 was the most important year for the Balkans since Slobodan Milošević’s overthrow in 2000. In June 2006, Montenegro declared its independence, and the process to determine Kosovo’s future status has entered its last stages. Together, these developments represent the final fall of Tito’s Yugoslavia, a process which began back in 1991. Since July, parliamentary elections have been held in Bosnia-Herzegovina, Macedonia and Montenegro. In November, Bosnia-Herzegovina, Montenegro, and Serbia were invited to join NATO’s Partnership for Peace (PfP), and in Bosnia constitutional reform is also on the agenda.

All of these changes are taking place at a time when strategic uncertainty in southeastern Europe is increasing because Washington and Brussels are consumed by problems elsewhere and Russia is increasingly asserting its political and economic interests in the region. Balkan stability over the past seven years has rested on three pillars – a significant U.S. military presence, the foreseeable prospect of E.U. accession for the Balkan countries, and the fact that political elites in Belgrade, Banja Luka, Skopje, and Zagreb support the political and territorial status quo in the region. Two of these three pillars – the U.S. military presence and the foreseeable prospect of E.U. accession – are either being withdrawn, or pushed back to an increasingly distant future. The few remaining U.S. troops in Bosnia were pulled out in 2006, and a similar withdrawal is planned for Kosovo in the near future. Both moves reveal the mindset of bureaucratic planners who know the price of everything and the value of nothing. Meanwhile, the Europeans are suffering from too many of their own problems to guide the Balkan states successfully through the transition process, and are unable to provide firm assurances as to when the next round of enlargement that would include the Balkan states might take place. Hence, there is a significant danger that international policy toward the region could founder for the next couple of years.
The third pillar of Balkan stability – the status quo elites in Bosnia-Herzegovina, Macedonia, and Serbia – is somewhat wobbly as well. Political forces challenging the current status quo in the region, whether in the form of politicians in Sarajevo demanding a radical revision of the Dayton Peace Accords, or revanchists in the Serbian Radical Party who still dream of creating a “Greater Serbia,” or militant Albanian movements threatening to destabilize Macedonia, Montenegro, or southern Serbia, all to greater or lesser degrees are waiting on the sidelines to see how quickly changing facts on the ground may play to their advantage.

Additionally, an important new variable has been introduced into the Balkan strategic equation – the re-emergence of Russia as an important economic and political player in the region. In Montenegro, Russians have bought the republic’s largest industrial enterprise; in Bosnia, the largest oil refinery; in Macedonia, Lukoil is planning a major expansion of its operations; in Serbia, Russia is providing the capital to refurbish the hydro-electric plant at the Iron Gates of the Danube, Serbia’s main source of electricity; and in March, Russian President Vladimir Putin traveled to Greece to sign an agreement with his Bulgarian and Greek counterparts to build a new pipeline to carry Russian oil from the Black Sea to the Aegean.

Given all of these developments, the current political moment in the Balkans bears a disconcerting resemblance to the situation that obtained in 1991 when the Yugoslav crisis first began. Then, as now, rapidly changing political realities on the ground in southeastern Europe came at a moment when Washington and European capitals were distracted by problems elsewhere – the Iraqi invasion of Kuwait, the disintegration of the Soviet Union, and German reunification – and belated American and European reactions to the accelerating dynamic of disintegration and violence were unable to keep the lid on a rapidly changing situation.

To be sure, there is little danger that the large scale violence of the 1990s that ravaged Croatia, Bosnia-Herzegovina, and Kosovo will again erupt in the western or southern Balkans. New security mechanisms and instruments – many developed specifically in response to the original outbreak of violence in the former Yugoslavia – are now in place, and there is much more recognition of the need for quick, preventive diplomacy in the early stages of a crisis than there was in the early 1990s.

Nevertheless, the problems facing the region should be neither underestimated nor dismissed, and after fifteen years of intensive international engagement in the region, there is no excuse for Washington and Brussels to be behind the curve. While Montenegrin independence and a resolution of Kosovo’s future status may clarify some things in southeastern Europe, they also open up a host of other issues – the futures of Macedonia, Bosnia-Herzegovina, and Serbia itself, and how all of these increasingly small,
weak, economically impoverished states lacking internal political legitimacy will find the strength both to adopt political and economic reforms and to deal with powerful organized crime syndicates and the infiltration of Islamic militant groups.¹

Moreover, it is not at all clear that the new security structures in place will be strong enough to counteract the powerful forces now being unleashed in the region. Maintaining peace and stability and promoting economic and political reform in the Balkans while simultaneously redrawing borders and creating new states will not be easy to achieve, especially at a time when Washington’s and Brussels’ ability to control developments on the ground is decreasing in direct relationship to their drawdown in troops and financial aid, and the only carrot on offer is the increasingly distant prospect of E.U. accession.

For these reasons, many implicit assumptions about Balkan policy currently holding sway on both sides of the Atlantic are seriously flawed. In Washington, the prevailing sentiment is that we can grant Kosovo independence, revise Bosnia’s constitutional structure, declare victory, and pull out of southeastern Europe. In Brussels, many quarters believe that southeastern Europe’s E.U. integration aspirations can wait until the E.U. settles its own internal difficulties. But the new political dynamics of the region unleashed by the changes of the past year means that at this moment the Balkans cannot afford benign neglect. The International Commission on the Balkans warned in 2005 that we are as close to failure in southeastern Europe as we are to success.² The judgment still holds true, and while American policymakers may be able to tick off many of the items on their Balkan agenda in the coming months, what they want most – a responsible way to disengage from the Balkans – will remain unattainable.

The good news is that maintaining stability and promoting reform in the Balkans can be done for a fraction of the cost of the Afghan and Iraqi operations, and in a region where Americans are popular and everyone wants to join the European club. But stability and progress will not emerge by themselves, which is why understanding the new political dynamics unleashed by quickly changing facts on the ground in southeastern Europe is crucial. The nature of the questions hovering over the Balkans reveals the continued seriousness of the situation: What will happen in Bosnia if and when the Office of the High Representative (OHR) shuts down? Can

Kosovo and Montenegro succeed as independent states? Will the Ohrid Accords (and, by extension, Macedonia itself) work? Will Serbia’s post-Milosevic reform process continue? At this political juncture, in many ways the answers to these questions lie more in Washington and Brussels than in the region itself.

Montenegro – Independence without Exceptionalism?

For the past fifteen years, Montenegro has prided itself, with some justification, as being an exception to the general Balkan rule of ethnic heterogeneity leading to ethnic conflict. Paradoxically, however, the thesis of Montenegrin exceptionalism faces its greatest challenge now that Montenegro has become independent. Last May, Montenegrins approved an independence referendum by a 55-45 percent margin, but a glance behind the 45,000 vote difference suggests the future of Montenegrin politics will be anything but smooth. Voting was strictly along ethnic lines, with Albanians, Croats, Muslims (recognized as a distinct ethnic group in many parts of the Balkans) and ethnic Montenegrins voting overwhelmingly in favor of independence, while Montenegrin citizens identifying themselves as Serbs (over thirty percent of the population) voted just as strongly in favor of maintaining the state union with Serbia.

Independence, however, significantly changes the political game that all of these groups have been playing in recent years. Most of Montenegro’s ethnic minorities have supported Montenegrin independence not out of any particular loyalty to the Montenegrin state itself, but primarily to break Montenegro’s ties with Serbia. Now that that has been achieved, Montenegro’s various ethnic groups have already begun to up the ante in Montenegrin politics by demanding more autonomy and greater collective group rights. And as repeatedly seen in Bosnia-Herzegovina and Macedonia, such ethnically-based politics make it extremely difficult to achieve the consensus needed to adopt and implement political and economic reform.

Two recent events sharply bring into focus this lack of consensus in Montenegrin society. In September 2007, on the eve of parliamentary elections, Montenegrin security forces arrested over a dozen ethnic Albanians for planning an alleged terrorist plot. Two of those arrested were local municipal council members, showing the relatively shallow support even some Albanian government officials have for an independent Montenegrin state. On the other side of the political and ethnic spectrum, meanwhile, just a

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3 For an analysis along these lines, see Misa Djurkovic, “Montenegro: Headed for New Divisions?” (Defence Academy of the United Kingdom, Conflict Studies Research Centre, Balkan Series 07/11, March 2007).
few days later, at the inaugural session of the Montenegrin parliament on October 2nd, Serb members of parliament refused to stand for the singing of the Montenegrin national anthem, yet another subtle indication of the weak foundations on which Montenegrin independence rests.

Montenegro, clearly, will face several years of difficult birth pains. Even apart from the most basic question of the new state’s legitimacy in the eyes of many of its citizens, Montenegro faces enormous economic difficulties. Less than a fifth of the population is officially employed, governmental corruption is high even by regional standards, and there is a serious debate within the country over the wisdom of relying so heavily on Russian investment in the republic. Adding to all of this uncertainty is Djukanović’s decision to step down as prime minister and retire from politics. To his credit, Djukanović achieved many things while he was in power. His decision to break with Milošević in 1997 was an important blow to Milošević’s aura of omnipotence, and he kept his cool during NATO’s air campaign against the then Yugoslavia in 1999. Crowning these achievements was his role in peacefully guiding a deeply divided state to independence.

But the price of many of these things has yet to be paid. Putting together a coalition of groups with convergent short-term tactical goals but contradictory long-term strategic goals can win an independence referendum, but it will not make for a stable state. Similarly, the social and economic costs of Djukanović’s struggle to keep himself and his party in power, in terms of the significant criminalization of the Montenegrin state and society, is something that Montenegro will continue to pay for for many years to come.

Bosnia after the OHR

To Montenegro’s north, the spillover effects of its independence referendum were immediately visible in neighboring Bosnia-Herzegovina. Eleven years after the signing of the Dayton Peace Accords, in 2006 Bosnia had its most heated election campaign since the end of the country’s civil war in 1995. Within days of the Montenegrin referendum, the prime minister of the Serbian entity in Bosnia, the Republika Srpska (or RS), Milorad Dodik, aired the possibility of the Bosnian Serbs holding their own referendum on independence if Muslim politicians in Sarajevo continued with their attacks on the legitimacy of the RS. Dodik’s threats clearly struck a nerve among Bosnia’s Serb population, as Dodik and his Independent Social Democratic Party scored a huge victory in Bosnia’s October presidential and parliamentary elections, becoming by far the most important political force in the Serb half of Bosnia. Elections in the other half of Bosnia-Herzegovina, the Muslim-Croat Federation produced minor political tremors of their own.
Haris Silajdžić, the Bosnian Muslim wartime prime minister, was elected to the tripartite state presidency after several years out of politics, while a Croat from Sarajevo, Željko Komšić, was elected as the Croat member of the presidency, apparently with the help of thousands of Muslim votes, and without the support of Bosnia’s leading Croat political parties.

This new political constellation in Bosnia has emerged at an important crossroads for Bosnia’s future development. Last April, constitutional reform proposals supported by Washington and Brussels and most political parties in Bosnia failed after Silajdžić and his party refused to endorse them, thereby sabotaging years of delicate political negotiations intended to provide a new, post-Dayton political framework for Bosnia. Political tensions in Bosnia are sure to increase over the next few years as Dodik and Silajdžić – two sharp-tongued, strong-willed individuals – fight over their contrasting visions of Bosnia’s future. For the first time since the war, one of Bosnia’s leading journalists, Senad Pećanin, has become concerned enough to say “I am afraid for the peace here.”

While a return to large-scale conflict in Bosnia is unlikely, there is clearly no consensus among the peoples of Bosnia as to how their state should be organized or governed. Eleven years into the Dayton Peace Process, however, many observers are questioning the intrusive role international actors are playing in Bosnia’s domestic politics. The High Representative’s current powers, which include the ability to impose legislation and remove publicly elected officials from office, has prevented Bosnians from taking responsibility for their own affairs, and the strong role of the High Representative or the American ambassador in Sarajevo has often convinced Bosnia’s Croat, Muslim, and Serb political leaders that it is more important to gain the support of international officials than that of their fellow Bosnians. The perverse result has been the introduction of a negative dynamic into Bosnia’s political life, preventing Bosnia’s Croats, Muslims and Serbs from developing the habits of mutual trust, cooperation, and compromise needed for the country to progress on its own, and absolving Bosnia’s politicians from responsibility for the country’s future.

Eleven years after the end of the war, and after one of the most intensive and large-scale international engagements in history, making Bosnia-Herzegovina a viable state from this point on is going to depend upon the Bosnian peoples themselves. The best the international community can do

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is provide a secure environment in which Bosnian politics can evolve and play out free from the threat of civil war, foreign military intervention, or threats to secede or partition the country. Apart from these ground rules, however, few people believe that continued international micromanagement can do much to promote further interethnic reconciliation in Bosnia. In the next phase of Bosnia’s post-Dayton development, this will have to be up to Bosnia’s politicians and peoples themselves.

**Kosovo – Toward Independence?**

Of all the problems facing southeastern Europe and the international community, the most difficult and potentially dangerous remains deciding Kosovo’s future status. U.N. Security Council Resolution 1244, which formally regulated the end of the Kosovo war in 1999, left Kosovo legally a part of the former Federal Republic of Yugoslavia, but practically a United Nations/NATO protectorate. Driven by a belief that Kosovo’s international-legal limbo status could not be prolonged indefinitely, but also by the fear that Albanian dissatisfaction with the status quo could result in an explosion of violent discontent directed against international personnel in Kosovo, negotiations over Kosovo’s future status began last February. Predictably, however, they made practically no progress in bridging the gap between Belgrade and Priština, with the result being that the U.N. Security Council will have to impose a solution on the two parties. Most observers believe that the imposed solution will remove Kosovo from Belgrade’s sovereignty and grant it some form of independence.

Whatever is done in Kosovo, however, is almost certain to have widespread ramifications. Russian president Vladimir Putin has publicly warned that whatever happens in Kosovo could serve as a precedent for similar unresolved territorial conflicts in the former Soviet Union, most especially in Georgia’s breakaway provinces of South Ossetia and Abkhazia and in Moldova’s Transdniestria region, and Putin has specifically called for the application of “universal principles” to the Kosovo case. Many regional leaders, especially in Romania and Greece, have also raised concerns about plans to impose a solution that has not been agreed to by the two parties.

More immediately, however, whatever legal form Kosovo’s future status takes, it will do little to resolve Kosovo’s fundamental internal problems: extremely weak governmental capacity, a moribund economy with few serious opportunities for growth, pervasive corruption and organized crime, a fractionalized political system based on regional and clan loyalties, and an intolerant nationalist xenophobia against non-Albanian ethnic communities that has produced the worst human rights situation in Europe. In 2005, Kosovo registered negative economic growth, and a reduced international
presence in Kosovo will only worsen economic conditions. Moreover, with half of Kosovo’s population under the age of 26 (and one third under the age of 17), the vast majority of whom account for the 50-60 percent of Kosovo’s population that is officially unemployed, the potentially explosive social consequences of the situation are clear. Compounding all of these problems is the fact that Kosovo already has its own frozen conflict – the Serb enclave north of the Ibar river, anchored by the divided city of Mitrovica. Here, in territory adjoining Serbia proper, some 80,000 Serbs are practically more a part of Serbia than they are of Kosovo.

Clearly, a continued international (and particularly U.S.) presence will be needed in Kosovo for several more years. Whatever form Kosovo’s future status ultimately takes, it remains to be seen whether it will in fact promote regional stability, or whether it will merely begin destabilizing neighboring states such as Macedonia, Montenegro, and southern Serbia. Extremists in Kosovo have already been implicated in fomenting violence in all of these areas, and without a strong U.S. presence, it is doubtful that a European force would have the credibility to reign in any potential extremist violence.

**Macedonia after Kosovo**

In many ways, the political logic of Balkan nationalism – succinctly summed up by Vladimir Gligorov in the saying “Why should I be a minority in your country when you can be a minority in mine?” – suggests that Macedonia will have the most difficult time dealing with the new strategic environment in the southern Balkans if and when Kosovo is granted independence. With three million Albanians living in an independent state to its west, and a further two million Albanians living in an independent state to its north, it is difficult to see why 500,000 Albanians in Macedonia will remain satisfied in a state in which they claim they are discriminated against and treated as second-class citizens. Moreover, there is no evidence of such a political situation succeeding in the Balkans at any time over the past several decades. The Bosnian experience shows how difficult it is to make a multi-ethnic state work even when the main ethnic groups speak a common language, and in Macedonia the ethnic divide is further deepened by the fact that state’s main ethnic groups speak mutually unintelligible languages.6

Macedonia’s parliamentary elections in July showed how fragile Macedonia remains five years after a civil war between Albanians and Macedonian Slavs was narrowly averted. When the right-of-center Internal

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6 It should be noted, however, that many Albanians in Macedonia do speak Macedonian.
Macedonian Revolutionary Organization – Democratic Party of Macedonian National Unity (VMRO-DPMNE) chose to invite a smaller Albanian party to join its ruling coalition in place of the largest Albanian political party in Macedonia, Ali Ahmeti’s Democratic Union of Albanians (DUI). Ahmeti’s followers took to the streets, raising roadblocks in many parts of the country and boycotting parliament for two months. On the other side of the ethnic divide, in August the Macedonian government again arrested a Christian Orthodox cleric, Bishop Jovan Vraniševski, who has re-established ties with the Serbian Orthodox Church in Belgrade. Bishop Jovan, named a prisoner of conscience by Amnesty International, has been subject to various forms of intimidation and harassment over the past several years, including being charged with crimes as petty as performing a baptism in his apartment. As these events suggest, Macedonia’s social and political cohesion remains weak, and without strong international support it is doubtful that Macedonia would have the internal strength to weather the changes facing southeastern Europe in the coming years.

Stabilizing Serbia

Any American policymaker who has bemoaned the fact that Washington is a one-crisis-at-a-time town should have some sympathy for the problems confronting Belgrade politicians. As a result of Montenegro’s declaration of independence, Serbia has involuntarily become an independent country, a decision which grants Kosovo some form of independence will reduce its territory by a further fifteen percent, and the E.U. has suspended talks with Belgrade because of its failure to apprehend Hague indictee Ratko Mladić. And these are just the “big” problems; others, such as judicial and security sector reform, providing for the largest refugee population in Europe, or rebuilding an economy in which unemployment hovers at 30 percent and another decade will be needed for per capita GDP to reach 1989 levels also remain to be solved.

Given these realities, what is noteworthy is not that reform in post-Milošević Serbia has been slow, but that the post-Milošević reform effort is making any progress at all. In many ways, however, the coming years will be the most severe test of Serbia’s nascent democratic institutions, which is why there is an urgent need to rethink current U.S. and E.U. policy towards the country.

For the past several years, much of Washington’s and Brussels’ relations with Serbia – such as negotiations with the E.U. over a Stabilization and Association Agreement, or Serbia’s membership in NATO’s Partnership for Peace – have been reduced to the fate of one man, former Bosnian Serb general Ratko Mladić, indicted for war crimes by the International
Criminal Tribunal for the Former Yugoslavia (ICTY), and widely believed to be the man most responsible for the Srebrenica massacres in July 1995 in which several thousand Bosnian Muslims were killed. But while the morality of insisting on Mladić’s arrest and extradition is unassailable, the consequences of freezing Serbia’s Euro-Atlantic integration efforts because of one individual have become detrimental to long-term stability in the Balkans. As one op-ed contributor in the *New York Times* asked, “How important is Mladić’s arrest balanced against the integration of eight million people in a region that badly needs stability?”

In similar instances, Washington and Brussels have both shown greater understanding for the wider strategic issues at stake. In October 2005, for instance, the European Union gave Croatia a green light to proceed with E.U. accession talks only days after ICTY Chief Prosecutor Carla del Ponte announced her disappointment with the Croatian government’s lack of cooperation in the case of fugitive Hague indictee Ante Gotovina. Similarly, the ICTY is allowing another indicted war criminal, former Kosovo prime minister Ramush Haradinaj, to await trial from his home in Kosovo (despite the fact that Haradinaj has reportedly been intimidating and harassing potential witnesses against him) because of the belief that Haradinaj can reign in extremists in Kosovo. In both cases, larger strategic concerns have required that some unpleasant compromises be made between the just and the good. Washington, Brussels, and the ICTY now confront the same situation with regard to Mladić. Fortunately, Washington made a good move in this direction at NATO’s November summit in Riga when it agreed to invite Serbia (along with Bosnia-Herzegovina and Montenegro) to join PfP. The E.U. now needs to show similar pragmatism in supporting democratic forces in Serbia by restarting accession talks with Serbia as soon as possible.

Serbia’s neighbors certainly understand the importance of such pragmatism. As Kosovo Prime Minister Agim Ceku recently noted, “the international community needs to find a way to stimulate democratic Serbia while sidelining the radicals.” Sidelining the “radicals” in this case most especially means that Washington should reconsider its policy of avoiding all dealings with the Serbian Radical Party (SRS), whose leader, Vojislav Šešelj, is currently on trial for war crimes in The Hague. The SRS is known for its extremist rhetoric and little else, but in a country with so many refu-

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gees and a devastated economy they can count on the support of anywhere between 30-35 percent of the electorate, and there is a serious possibility that if Kosovo is granted independence its support could increase substantially. American officials refuse to deal with SRS officials, but this is a policy whose logic is becoming weaker and weaker. The SRS is not monolithic: it has extreme and moderate factions, and initiating even low level contacts with the party will move the moderates into a more responsible, mainstream direction and marginalize the extremists, which will be of considerable benefit to domestic Serbian politics. A more flexible U.S. policy can speed this process along, and the sooner this is done, the better.

Stabilizing Serbia – and, by extension, southeastern Europe as a whole – requires a new approach to dealing with Belgrade. Just like generals fighting the last war, however, far too many policymakers in Washington and some European capitals have yet to recognize that Slobodan Milošević is dead and the challenge for U.S. and E.U. policy when dealing with Belgrade today is different from that of the 1990s. Then, the task was containing a malevolent dictator; today, the challenge is to foster an international environment that will guarantee the success of the democratic transition in what is strategically the most important country in the Balkans. The assassination of former Serbian prime minister Zoran Djindjić in March 2003 should be a tragic reminder of the difficulties and dangers post-Milošević political forces in Belgrade are facing. They need American and European understanding and support.

Historical Opportunities

Richard Holbrooke often points out that U.S. and E.U. engagement in the region is about more than altruism. Problems in southeastern Europe quickly become European problems, and European problems, sooner or later, create problems for American security interests. To take but one example: several of the September 11 hijackers had been trained or fought in Bosnia in the 1990s, and for this and many other reasons Washington has a strong interest in the region, and in seeing the Balkans transition and integration process through to a successful conclusion.

Doing so, however, will require devoting more attention to the region than either Washington or Brussels currently seem willing to do. One of Europe’s most knowledgeable Balkan hands, Swedish foreign minister Carl Bildt, has warned that if the E.U.’s doors are closed to the remaining Balkan states it would “take away the guiding beacon which has guided the reform policies of the region for the past few years. Instead of the magnet of European integration, we might well go back to seeing the policies of
the region driven by the fears and prejudices of nationalism.”

Jacques Paul Klein, another old Balkan hand, puts the issue facing the EU in the following terms – either the E.U. accelerates the western Balkans’ accession to the union, or these countries enter the E.U. on their own – one person at a time. As former Macedonian prime minister Vlado Bučkovski has expressed the concerns of many Balkan political leaders, absent a clear timetable from the E.U. as to when the various countries of the Western Balkans may join, “it will be very difficult for us pro-Western and pro-European reformers to continue the political fight.”

At the moment, many regional leaders are closely watching to see how the E.U. deals with Croatia’s membership bid. Croatia is by most measures a more suitable candidate for E.U. membership than either Bulgaria or Romania, so the problem in integrating Croatia is more a matter of internal E.U. politics than of Croatia’s political or economic suitability. All of these things combined – accelerating Croatia’s E.U. accession timetable, stabilizing Serbia and providing support to its democratic forces, continuing to provide strong security guarantees to all the states in the region and giving them foreseeable prospects for joining the E.U. – will go a long way to ensuring that the transition process in the Balkans is successful.

While much can still go wrong in southeastern Europe, the current political moment also presents a very rare historical opportunity. For the first time in centuries, the region is not divided between rival empires or power blocs, and all the Balkan states share the same foreign and domestic policy goals – internally, political democratization and the creation of market economies, and externally, integration into NATO, the E.U. and other Euro-Atlantic institutions. Whether these efforts succeed or fail largely depends on decisions that will be made outside the region. What is clear, however, is that this is a rare political moment when historical change can be accomplished in the Balkans for a relatively modest price.
