The New Political Dynamics of Southeastern Europe

Gordon N. Bardos
Harriman Institute
gnb12@columbia.edu

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The New Political Dynamics of Southeastern Europe

With Montenegro’s declaration of independence in June 2006 and Kosovo’s forthcoming declaration of independence, there is a widespread belief that we are closing the final chapter in the disintegration of Yugoslavia and the violence that surrounded it in the 1990s. But are we? Or are we actually at the beginning of a new period of regional instability, probably not involving the large scale violence witnessed in the 1990s, but nevertheless significant enough to set back the Balkans’ hopes for economic and political reform and integration into the European Union, NATO, and other Euro-Atlantic institutions?

The new political dynamics of southeastern Europe unleashed by a number of developments over the past several years suggest that we may indeed be facing a new period of instability in the region. In

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1 This paper is the product of several research trips the author made to southeastern Europe from 2005-2007. Partial funding for this research was made possible by a Harriman Institute Travel Grant in 2005. I would like to especially thank the following individuals for sharing their thoughts and views with me on several topics raised in this paper: Dušan Bataković, special advisor to the President of Serbia (Belgrade, April 2007); Vuk Drašković, foreign minister of Serbia-Montenegro (Belgrade, June 2005); Kiro Gligorov, former president of Macedonia (Skopje, April 2007); Nikola Gruevski, president, Internal Macedonian Revolutionary Party—Democratic Party of Macedonian National Unity, currently prime minister of Macedonia (New York, January 2006); Vojislav Koštunica, prime minister of Serbia (Belgrade, May 2005); Antonio Milošoski, foreign minister of Macedonia (New York, September 2006); Miheana Motoc, Permanent Representative of Romania to the United Nations (New York, June 2007); Dimitrij Rupel, foreign minister of Slovenia (New York, September 2006); Ivo Sanader, prime minister of Croatia (New York, September 2006); Dejan Šahović, former deputy minister for European Integration, Ministry of Foreign Affairs, Serbia (Belgrade, April 2007); Hashim Thaci, president, Democratic Party of Kosova, currently prime minister of Kosovo (New York, November 2006); Miodrag Vlahović, former foreign minister of Montenegro, currently Ambassador of Montenegro to the United States (Podgorica, October 2006); Karsten D. Voigt, Coordinator for German-American Cooperation, (German) Federal Foreign Office (New York, November 2006); Ivan Vujajić, Ambassador of Serbia to the U.S. (New York, September 2005). I would also like to thank the following individuals and institutions for their collegiality and hospitality during recent visits to the Balkans: Sinan Alić, Foundation for Truth, Justice and Reconciliation (Tuzla, Bosnia & Herzegovina); Dean Trajan Gočevski and Dr. Lidija Georgieva, Institute for Defense and Peace Studies, University of St. Cyril and Methodius (Skopje, Macedonia); Savo Kentera, Center for International Relations (Podgorica, Montenegro); Dean Milan Podunavac and Prof. Ljubica Trgovčević-Mitrović, (Faculty of Political Science, University of Belgrade); and Marin Supta, Croatian Center for Strategic Studies (Zagreb, Croatia). Please note that the opinions and conclusions expressed in this paper are solely those of the author.

2 Several experts on the region have been drawing attention to the potentially worrying trends developing throughout Eastern Europe. F. Stephen Larrabee, for instance, has argued “The recent rise of nationalist and populist forces in several countries in eastern Europe . . . threatens to undermine the reform process. Enlargement fatigue in the EU and growing calls for protectionism within western Europe could further hinder continued efforts to create a single European market and fully integrate the new EU members. At the same time, the balance of power is shifting on eastern Europe’s outer periphery . . . These changes have gone largely unnoticed by policymakers in Washington despite the important implications they have for U.S. interests.” See Larrabee, “Danger and Opportunity in Eastern
many ways, the Balkans are facing their most profound period of change since Slobodan Milošević’s overthrow in October 2000. New states are being created, borders are being redrawn, and individual identities and associations are being remade—often involuntarily. As we know from both comparative experiences in other parts of the world and from recent historical experiences in the Balkans in particular, these are usually conflict-ridden processes. But these are not the only worrying developments in southeastern Europe. Over the past twenty years the western Balkans have experienced an economic depression the depth and duration of which far exceeds that of the US Great Depression of the 1930s, democratic institutions are still weak, significant segments of several existing states do not support the governments/states they live in, and the pillars supporting Balkan stability for the past decade are being removed or dismantled, all at a time when Russia is reasserting its interests in the region and making it clear that the international consensus that obtained regarding Balkan policy in the early 1990s is a thing of the past, and well-armed extremists are again active.

All of this begs the question of whether the current security structures and mechanisms in place in the region will be enough to prevent the Balkans from veering off course. Three years ago, the blue-ribbon International Commission for the Balkans claimed that “we are as close to failure in the Balkans as we are to success.” This judgement may be even more true today, which is why the international community needs to seriously recommit to the region to prevent the situation from getting out of control.

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3 Valérie Bunce makes this point well when she notes that the peaceful dissolution of Czechoslovakia was in many ways an historical aberration; thus, “Regime and state dissolution is rarely so graceful as what we saw in 1989-1992. What happened in Yugoslavia is, unfortunately, the historical norm.” Bunce, *Subversive Institutions: The Design and Destruction of Socialism and the State* (Cambridge: Cambridge University Press, 1999), 142. On the particular dangers newly-emerging democracies are susceptible to, see Edward D. Mansfield and Jack Snyder, *Electing to Fight: Why Emerging Democracies Go to War* (Cambridge, MA: MIT Press, 2005), and Jack Snyder, *From Voting to Violence: Democratization and Nationalist Conflict* (New York: W.W. Norton & Company, 2000).

The international community has an especial responsibility for stabilizing southeastern Europe at this moment because of its tremendous role in determining what happens there. As Susan Woodward has argued with respect to the region,

The search for a form of government suitable to the social and economic conditions of each country has always been characterized by a constant interaction between internal and foreign affairs. Whatever natural balance might have prevailed indigenously has always been overwhelmed by the policies of the European empires. Nonetheless, outsiders tend not to recognize this, including their role in shaping identities and political outcomes.5

The Social and Economic Context

To put the Balkan experience over the past two decades in a comparative perspective, it is useful to note that for most of this period the region has been going through an economic depression the depth and duration of which far exceed that of the US Great Depression of the 1930s. Between 1929 and 1933, for instance, US GDP shrank by one-half. The unemployment rate in 1932 at the height of the Great Depression stood at 23.6%. By 1941, twelve years after the onset of the Great Depression, U.S. GDP per capita had again reached 1929 levels.

By way of comparison, the depression that the Balkan economies went into after the collapse of state socialism and the wars of the 1990s has been far deeper and has lasted significantly longer. Romanian GDP did not return to 1989 levels until 2004; Croatian until 2005, Macedonia’s and Bulgaria’s GDP still had not reached 1989 levels by 2006, and in that same year Serbia & Montenegro’s GDP was still 36% below 1989 levels.6

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5 See Woodward, “Milošević Who? Origins of the New Balkans” (London School of Economics & Political Science: Hellenic Observatory Discussion Paper No. 5, July 2001), 3. Maria Todorova has likewise noted the determining part played by the main European powers in shaping political outcomes in southeastern Europe; as she notes, “The size, shape, stages of growth, even the very existence of the different Balkan states were almost exclusively regulated by great power considerations following the rules of the balance-of-power game.” See Todorova, Imagining the Balkans (New York: Oxford University Press, 1997), 169.

On Friday, January 4th 2008, new unemployment figures in the U.S. showed that the unemployment rate in the U.S. had “surged” to five percent, and the Dow Jones Industrials plunged two percent. By way of comparison, the official unemployment rate in Bosnia in 2007 stood at 40%, and has been at such high figures for most of the past decade. In Serbia, unemployment has been in the 15-20 percent range for the past five years. Between 2003-2007 the unemployment rate in Macedonia ranged between 35-37%. In Albania, it has been estimated that 25% of the population lives on less than two dollars a day, and the World Bank estimates that 40% of Albanian households do not have access to necessities such as basic education, water, sanitation and heating. In Montenegro, the unemployment rate was 27% in 2005, and some 10-12% of the population lives on less than $2 a day, although in parts of northern Montenegro it is believed that this figure rises to 20%.

The political science literature on the correlation between levels of economic development and the stability of a democratic system suggests, as Przeworski and Limongi note, “that the chances for the survival of democracy are greater when the country is richer.” Przeworski and Limongi suggested that a per capita GDP of $6000 in 1985 PPP prices appeared to be the point at which democratic polities became consolidated. Adjusted for inflation, that comes out to $11,226 in 2006 dollars. Below is how the Balkan countries come out today:

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**TABLE 1: Balkan Economies’ GDP per capita by PPP**

<table>
<thead>
<tr>
<th>Country</th>
<th>2006 PPP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>$5,700</td>
</tr>
<tr>
<td>Bosnia &amp; Herzegovina</td>
<td>$5,600</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>$10,700</td>
</tr>
<tr>
<td>Croatia</td>
<td>$13,400</td>
</tr>
<tr>
<td>Macedonia</td>
<td>$8,300</td>
</tr>
<tr>
<td>Montenegro</td>
<td>$3,800</td>
</tr>
<tr>
<td>Romania</td>
<td>$9,100</td>
</tr>
<tr>
<td>Serbia (including Kosovo, 2005 est.)</td>
<td>$4,400</td>
</tr>
<tr>
<td><strong>Consolidated democracy threshold</strong></td>
<td><strong>$11,226</strong></td>
</tr>
</tbody>
</table>

Coupled with the Balkans’ economic problems is the still significant refugee/displaced persons problem in the region. One out of seven residents of Croatia became refugees or displaced persons between 1991-1995. Serbia and Bosnia remain home to the largest refugee and internally-displaced populations (per capita) in Europe.\(^{11}\) In Serbia alone, some 326,000 people fall into these categories. Almost half of Bosnia & Herzegovina’s population was forcibly expelled from its home or fled the fighting between 1992-1995. Recent reports about mental health care facilities in the region are only the most disturbing indicators of the enormous social problems facing these states.\(^{12}\)

This social context of economic depression, widespread poverty and large scale population displacements has significant political consequences, for throughout the region public opinion surveys

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\(^{10}\) All scores available at: [http://www.freedomhouse.hu/index.php?option=com_content&task=view&id=84](http://www.freedomhouse.hu/index.php?option=com_content&task=view&id=84). Note: 2003 scores for both Serbia and Montenegro are for the State Union of Serbia and Montenegro. Countries are listed in order of their scores in the *Nations in Transit* 2007 edition. Disclosure: The present author has served as a Balkans consultant for Freedom House since 1999. However, I did not contribute to the *Nations in Transit* series during the reporting period cited above.


\(^{12}\) For instance, in November 2007, Mental Disability Rights International (MDRI) issued a report on the state of mental health care facilities in Serbia that noted “filthy conditions, contagious diseases, lack of medical care and rehabilitation and a failure to provide oversight renders placement in a Serbian institution life-threatening.” Eric Rosenthal, executive director of MDRI, said that “This is the most horrifying abuse I have seen on powerless children, who are tied to beds and unable to move,” he said. “This constitutes a clear case of torture.” See Dan Bilefsky, “Mentally Ill in Serbia are Abused, Report Says,” *The New York Times*, 14 November 2007. Similarly, a 2002 MDRI report on conditions in Kosovo mental institutions noted that “The rule of law simply does not apply within these psychiatric facilities. We found extreme, inhuman and degrading treatment, arbitrary detention and the physical and sexual assault of women, and we received a blanket denial from the authorities.” See Oliver Burkeman, “U.N. ‘ignored’ abuse at Kosovo mental homes,” *The Guardian* (London), 8 August 2002.
have consistently shown that the most extreme nationalist parties draw their support from those segments of the population that are the least educated, have the lowest income, from the ranks of the unemployed, and from refugees and displaced persons. By way of contrast, throughout the region, during the 1990s large numbers of the most intelligent, talented and highly educated young people—those segments of the population most needed to carry out a democratic and market transition—have been leaving.

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13 See the study completed by the Consortium of Institutes of Social Sciences in Yugoslavia, cited in Golubović, Kuzmanović, and Vasočić, Društveni Karakter i Društvene Promene u Svetu Nacionalnih Sukoba (Belgrade: Filip Višnjić, 1995), 80-93.

A recent study released in Serbia in 2008 shows that respondents self-identified as “upper middle class” are by over a two-to-one margin (53.7% to 25.3%) more inclined to vote for the candidate who is perceived to be more pro-European and liberal, Boris Tadić, than the more conservative, pro-Russian Tomislav Nikolić. Conversely, respondents self-identified as “lower class” were more inclined to vote for Nikolić by a 50.0% to 27% margin. See the study conducted by Agencija Politikum entitled “Predsednički izbori Tadić—Nikolić—Ostali”—Socioekonomski profil birača,” available at: [http://www.nspm.org.yu/MBI/politikum6_pred_izbori2008profil.htm](http://www.nspm.org.yu/MBI/politikum6_pred_izbori2008profil.htm). Accessed on 19 January 2008, 11:14am.

Similar results are found in Croatia. A Croatian study conducted in 1997 revealed that the main supporters of the HDZ-regime were: 1) people who defined themselves as religious; 2) older segments of the population; 3) peasants; 4) the army and other security forces; and 5) the “new class” of war profiteers and tycoons who owe their positions to the regime. Opponents of the HDZ were most often professionals, managers, and the highly educated. The study was done by two Croatian sociologists, Dr. Duška Sekulić and Dr. Željka Sporer. See the description of the study by Professor Ivan Paden of Zagreb University in Feral Tribune (Split), 29 September 1997, 17-18. A study of Serb voting behavior in Serbia proper, Montenegro, and in the RS found that the most extreme nationalist political movement, the Serbian Radical Party, generally drew its support from the least educated and lowest paid segments of society. See Ognjen Pribićević, Vlast i Opozicija u Srbiji (Beograd: 1997), 57. See also Slobodan Antonić, Zarobljena zemlja: Srbija za vladu Slobodana Miloševića (Belgrade: Otkrovenje, 2002), 76-81. For evidence from Bosnia & Herzegovina, see Dragoljub Krneta and Miloš Solaja, Političko oblikovanje birača putem medija informisanja (Banja Luka: 1997), 44, Table 15.

14 For instance, a 2001 study by a U.N. agency found that 62 percent of the country’s young people would leave Bosnia if they had a way out. The public opinion survey by the U.N. Development Program was cited by High Representative Wolfgang Petritsch in a speech before the European Parliament’s Foreign Affairs Committee in Brussels on 22 January 2001. In Serbia, public opinion surveys conducted in November 2002 showed that over 50 percent of the young people would like to emigrate. “Serbia After Djindjic” (Brussels/Belgrade: International Crisis Group Balkans Report No. 141, 18 March 2003), 7. In Croatia, a poll conducted in 2002 revealed that three-fourths of the young people surveyed in Croatia said they would like to leave the country. Some 150,000 Croatians were estimated to have emigrated between 1995-2002. See Hamza Bakšić, “Nacionalizam protiv patriotizma,” Oslobodjenje (Sarajevo), 30 August 2002. Again in Bosnia, one estimate claims 92,000 young people left the country between January 1996 and the end of March 2001. Former High Representative Paddy Ashdown claimed that “This haemorrage of the young and talented poses perhaps the greatest long-term threat to this country.” See Nizdara Ahmetasević and Julie Poucher-Harbin, “Bosnia: Brain Drain Gathers Pace,” IWPR Balkan Crisis Report No. 385, 25 November 2002. In Albania in 2001, the Ministry of Labour and Social Affairs Emigration Office estimated that approximately 67 percent of educated Albanians had left that country during the preceding decade. This includes an estimated 60 percent of the country’s full-time professors. See Mirvjeta Dizdari, “Albanian Brain Drain,” IWPR Balkan Crisis Report No. 295 (9 November 2001).
Legitimacy Problems

In addition to the social and economic problems facing these states and societies, Bosnia-Herzegovina, Kosovo, Macedonia, Montenegro, and Serbia are confronting serious legitimacy crises. In Bosnia-Herzegovina, public opinion polls over the past several years have consistently shown that sizeable majorities of Serbs in the Republika Srpska (RS) would support making the RS either independent or a part of Serbia.\textsuperscript{15} Much the same could be said for Bosnian Croats and their views towards Croatia. Macedonia in 2001 was on the verge of all out civil war when Albanian insurgents organized an insurrection to demand greater rights (according to conservative estimates, Albanians make up between one quarter and one third of Macedonia’s population). In October 2007, DUI leader Ali Ahmeti again raised the possibility of an Albanian insurrection in Macedonia unless the government did more to satisfy Albanian demands in the country. Recent public opinion polls conducted in Macedonia show that these two communities are drifting further apart—for instance, by large margins, people on both sides of the

\textsuperscript{15} For example, a public opinion survey conducted by Agencija Partner Marketing of Banja Luka in mid-September 2005 asked 850 participants of legal voting age in a representative sample the following question: “Should Republika Srpska secede from Bosnia-Herzegovina and join Serbia if Kosovo is granted independence?” The results are as follows:

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completely agree</td>
<td>54.1 percent</td>
</tr>
<tr>
<td>Generally agree</td>
<td>21.6 percent</td>
</tr>
<tr>
<td>Generally do not agree</td>
<td>8.2 percent</td>
</tr>
<tr>
<td>Do not agree at all</td>
<td>6.2 percent</td>
</tr>
<tr>
<td>Do not know/refuse to answer</td>
<td>9.8 percent</td>
</tr>
</tbody>
</table>

As can be seen from the above, 75.7 percent of RS respondents either agreed to some measure with the proposition that the RS should secede from Bosnia-Herzegovina and join Serbia if Kosovo became independent.

The results of this survey become more ethnically-uniform, however, when one takes into account the fact that according to 2005 estimates, 88.4 percent of the RS population is Serb, while 11.6 percent is estimated to be either Bosniac or Croat. Thus, were the survey to have been broken down along ethnic lines, it is highly likely that “Generally do not agree” or “Do not agree at all responses” would have come mainly from Bosniaks and Croats. Conversely, it is safe to assume that over 80 percent of Serb respondents would have answered either “Completely agree” or “Generally agree.”

What is also noteworthy about this survey is that there are fairly consistent attitudes towards this question regardless of age. 81 percent of respondents aged 29-45 agreed with the above proposition, 77 percent of respondents 46-59 agreed, while for older respondents (60 and above; i.e., those with more experience of the former Yugoslavia), support was somewhat lower (69 percent).
ethnic divide say that they do not support mixed marriages, or Albanian and Macedonian children going to school together.\(^\text{16}\)

In Montenegro, on one end of the political and ethnic spectrum, that state’s Serb population (some 35\%) rejects the country’s new constitution, while on the other side of the ethnic spectrum, the September 2006 arrest of a dozen ethnic Albanians (several of whom were on the government payroll) for planning a terrorist action raises question marks about the ultimate loyalty of another 7 percent of that country’s population.\(^\text{17}\) Importantly, neither Albanian nor Serb political parties in Montenegro supported passage of the country’s new constitution in October 2007.

Serbia of course is in the final stages of a bid by Kosovo Albanians to secede from Serbia which will result in the loss of 15\% of its territory. Importantly, ethnic Albanians in the Preševo Valley (a region in Serbia proper directly adjacent to Kosovo) generally either support Kosovo’s claims to independence

\(^{16}\) See, for instance, Tim Judah, “Greater Albania” Gains Support,” *IWPR Balkan Crisis Report* No. 341, 7 June 2002. As a report by the European Commission against Racism and Intolerance published in 2001 noted in the case of Macedonia,

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\ldots\text{each of the main ethnic communities tends to live in a relatively homogeneous world of its own. Even where members of different ethnic groups live and even work alongside each other, they often have limited contact in daily life. Although interaction is increasing, particularly among young people and the educated and professional segments of society, many members of the various groups still tend to go to different restaurants, different cafés, different stores and even different schools. The organizations and associations of civil society too, are in large part divided along ethnic lines, as are the political parties \ldots\text{. Public debate takes place within each community rather than between communities, each receiving information about events within the community, the country and the region from media in its own language, produced by members of its own ethnic group.}
\]


\(^{17}\) For a discussion of ethnic politics in Montenegro, see Miša Djurković, “Montenegro: Headed for New Divisions?” (Defense Academy of the United Kingdom, Conflict Studies Research Centre 07/11, March 2007).
and/or demand unification with Kosovo as well. In Kosovo itself, the Kosovo Serb population north of the Ibar River (estimated to number some 40,000) is playing an analogous role vis-a-vis the Kosovo Albanian government in Priština.

The problems such disputed legitimacy causes for the countries in the region are clear. Political uncertainty makes enacting reforms and attracting foreign investment considerably more difficult. Unfortunately, these are almost structural problems in many Balkan states given the multiethnic structure of their populations. A long-established school of thought in political science has posited the disadvantages that multiethnic states face in conducting “normal” politics. It is worth pointing out, for instance, that at least part of the success of earlier entrants into the EU is due to their relative ethnic homogeneity; for instance, in the twelve countries that joined the EU in 2004 and 2007, the “state-nation’s” percentage of the population is 82.5%.

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18 For instance, as Gidon Gottlieb has noted, “Homogenous national entities may be more likely to evolve into peaceable democracies than states rent by harsh linguistic and cultural antagonisms.” See Gottlieb, “Nations Without States,” Foreign Affairs (May/June 1994), 101. For an extended discussion of the effects of ethnic heterogeneity on democratic systems, see Robert A. Dahl, Polyarchy: Participation and Opposition (New Haven: Yale University Press, 1971), chp. 7.

19 Along these lines, Milada Anna Vachudová and Tim Snyder have argued that in six eastern European states (Bulgaria, the Czech Republic, Hungary, Poland, Romania and Slovakia) the most important determinant of their developmental paths have been what they term “ethnic nationalism.” According to the authors, the Czech Republic, Hungary and Poland are examples of states that have not exhibited high levels of ethnic nationalism; Bulgaria, Romania and Slovakia have. The latter have significantly higher numbers of ethnic minorities. See Vachudová and Snyder, “Are Transitions Transitory? Two Types of Political Change in Eastern Europe Since 1989,” East European Politics and Societies 11 (Winter 1997), 1-35. It is also important to note the potential danger posed by ethnic cleavages even in the Balkan success stories. In Bulgaria, for instance, one analyst has argued that “those who believe that during 17 years of transition to democracy Bulgaria has bridged the gaps between its ethnic groups on the basis of new democratic values and beliefs in human rights are deluding themselves. What has happened over these years is the opposite; the ethnic groups are further apart than ever.” See Albena Shkodrova, “Ethnic Groups in Bulgaria Are More Apart Than Many Believe,” BIRN Balkan Insight, 17 July 2007, available at: http://www.birn.eu.com/en/93/10/3622/?ILStart=20
**TABLE 2: Ethnic Homogeneity by “State-Nation’s” Percentage of the Population**

<table>
<thead>
<tr>
<th></th>
<th>2006 estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bosnia &amp; Herzegovina</td>
<td>48</td>
</tr>
<tr>
<td>Macedonia</td>
<td>64</td>
</tr>
<tr>
<td>Montenegro</td>
<td>43</td>
</tr>
<tr>
<td>New EU member average</td>
<td>82.5</td>
</tr>
</tbody>
</table>

**Poorly functioning democratic institutions**

Democratic institutions have been functioning at sub-optimal levels throughout the region over the past several years. Although the OSCE and various other international organizations have found elections in the Balkans to be generally up to international standards, there are worrying signs that democratic institutions are not functioning especially well. A glance around the region reveals the following:

- **In Bosnia**, after general elections in October 2006 it took six months for the Federation to form a government, and after Bosnian state prime minister Nikola Špirić’s resignation in October 2007, BiH was again technically without a government on the state level for several weeks.

- **Serbia** since 2002 has had to deal with the assassination of a prime minister, a two-month long state of emergency, three failed attempts to elect a president, a leading party unconstitutionally ousted from parliament, another leading party semi-boycotting parliament for over 12 months in 2005-2006, and, most recently, a three month effort to form of government after the January 2006 parliamentary elections, and there are signs that the current government could fall apart given tensions over how to respond to Kosovo’s forthcoming declaration of independence, throwing Serbian politics into yet another period of instability.

- **Montenegro** in 2002 failed in two attempts to hold presidential elections after the required 50 percent of voters did not turn out.

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20 All figures according to *The World Factbook*, available at: [https://www.cia.gov/library/publications/the-world-factbook/index.html](https://www.cia.gov/library/publications/the-world-factbook/index.html). Note: Macedonia’s “State-Nation’s” percentage is probably declining due to differences in demographic growth rates between the Albanian and Macedonian segments of the population. Some estimates have suggested that Albanians could become a numerical majority in Macedonia by 2025.
• In Macedonia, Ali Ahmeti’s Democratic Union for Integration (DUI) boycotted parliament for much of 2006 and 2007, making it impossible to pass legislation required for EU accession. Currently, the party which controls the government, Nikola Gruevski’s VMRO-DPMNE, disputes the legitimacy of the current president, the SDSM’s Branko Crvenkovski, claiming that Crvenkovski won the 2004 elections fraudulently.

Political problems such as these can often create economic problems as well. For instance, it has been estimated that foreign investment in Serbia fell by half last year because of fears associated with the difficulties in forming the new government. 21

Voter apathy is also apparent throughout the region. In Kosovo’s most recent parliamentary elections in November 2006, only 40 percent of the electorate turned out. As noted above, both Montenegro and Serbia went through several failed attempts to elect presidents in 2002-2003 due to low turnouts. Last November, a referendum on changing the Romanian constitution similarly failed because 50 percent of the voters failed to turn out.

In more developed and stable societies, such governmental inefficiency and voter apathy would not be extraordinary cause for concern. As we have seen in Belgium, for instance, last year it took six months for Walloon and Flemish parties to form a government. Yet given the overall socioeconomic, political and strategic context in which the western and southern Balkans find themselves, these problems may be taken as symptomatic of deeper problems facing each of these countries.

What are the threats?

Before discussing the threats facing southeastern Europe at the present moment, an important caveat is in order: the threats facing the region in the 1990s were considerably different than they are today. In the 1990s, we witnessed large-scale military formations confronting each other in large parts of the

former Yugoslavia. Today, it is difficult to imagine such large-scale conflict again. No one expects Croatia, Serbia, or Bosnia & Herzegovina to go to war with any of its neighbors.

The threats facing the Balkans today are of a considerably different scale. Many are soft security threats—those posed by organized crime groups which smuggle guns, drugs and human beings across borders, extort money from legitimate businesses, and payoff corrupt politicians. These include groups such as those in Serbia formed by the nexus between organized crime syndicates and communist-era security services (often allied with ethnic extremists) epitomized by individuals such as Legija, the organizer of the assassination of the late Serbian prime minister Zoran Djindjić. Djindjić’s assassination resulted in a state of emergency being proclaimed for almost two months, thousands of people being arrested, and an overall destabilization of Serbian politics for almost a year. As former OSCE chief Ambassador Robert Barry argued several years ago,

Organized crime and corruption are a greater threat to security and stability in the region than military forces. The ties between extremist politicians, organized crime and the former communist security services are becoming ever closer. They have become the greatest stumbling block to democratic reform, economic investment and membership in Euro-Atlantic institutions. The central goal of the Stability Pact, of NATO, of the European Union, and of the OSCE must be to combat the region’s mafia structures.

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Militant Islamist extremist groups pose another category of threats to the region. Bosnia, for instance, has been identified as a place in which Islamist radicals have trained in and used as a safe haven. Throughout the region, from Bosnia to the Sandzak through Kosovo to Macedonia, Islamic militants have been building mosques, acquiring weapons, and recruiting small groups of followers among what are otherwise the most moderate and pro-American Muslim populations in the world. Despite their small numbers, however, the damage that such groups can do is considerable. Three of the 9/11 hijackers, for instance, had fought in Bosnia, as had a number of the men involved in the attacks on the USS Cole and the Madrid train bombings.


25 Many local politicians and religious leaders are extremely concerned about this development. In an interview in May 2002, for instance, Arben Xhaferi told this writer that the biggest threat facing Albanian society in the region was “re-Islamization.” In August 2007, a leading Islamic cleric from the Sandzak also voiced his concerns to me on this score, and urged that a “quick, decisive” police action be carried out to eliminate Islamic extremists from the Sandzak before their influence spread.
Despite the fact that they are of a smaller scale and less visible, the influence these groups have in the region, and their success in infiltrating legitimate structures of power, should not be underestimated. In Serbia the problems were so great that the late Zoran Djindjić once said “Some states have a mafia. In Serbia, the mafia has a state.”

In Kosovo, as one senior U.S. military officer described the structure of power that emerged after 1999, "We call it a thugocracy. The mafia, the politicians and the so-called freedom fighters are all connected.” In Montenegro, the former president/prime minister has been indicted by an Italian court for cigarette smuggling. And despite the smaller scale of threats facing the region, they are still enough to derail the region’s transition to democracy. As a leading Macedonian government official put it last year, whenever someone kills a couple of police officers in Macedonia, his government loses several months of effort towards passing and implementing EU legislation.

The above problems in southeastern Europe’s current social and economic context cannot be considered in isolation. Each problem reinforces and feeds off the others, making the problems confronting the region more serious than an isolated look at voter apathy or the mere existence of a few paramilitary gangs might suggest. Milica Delević summed up this aspect of the dilemma facing the region nicely when she noted:

. . . crime structures created during the 1990s have survived and are taking advantage of the grey zones in the post-Yugoslav space. These grey zones, characterized by blurred responsibilities for the rule of law, transparent borders, displaced persons, unreturned refugees and a population living in dire social and economic conditions without tangible prospects, combined with frustrated paramilitary formations and corrupt high-level officials linked with organized crime, are creating fertile ground for gangsterism and the resurgence of past conflicts.

26 Djindjić made the comment during a press conference in Belgrade; video footage of his statements were included in a documentary entitled “Milošević: The Economic Mechanisms of Political Power,” produced by Tanja Jakobi, et. al. (Belgrade: 2004).
The New Political Dynamics

Two opposing trends can be seen in the Balkans at this time. The first trend is positive and integrative, the second is potentially negative or destabilizing. I will start with the positive dynamics and then move on to a more extensive discussion of the potentially negative dynamics.

We should not understate or underestimate the amount of progress the region has made since the fall of communism, and especially over the past 5-6 years. In this regard, three things are worth pointing out. First, all the countries in southeastern Europe are now either NATO members or Partnership for Peace ( PfP) members and/or NATO aspirants. Nevertheless, the fact that most of the western Balkan states remain outside NATO leaves a strategic hole in the middle of the alliance, and the extent to which the Balkan countries can deal with the variety of security threats (especially in the form of organized crime syndicates and Islamist militant groups) facing the region is questionable.

Another important change that has occurred in recent years is in the mindset of most regional leaders when it comes to resolving political conflicts. The peaceful secession of Montenegro was an example of this, as have been recent statements by Belgrade leaders that they will use only diplomatic and legal means to defend Serbia’s claims to Kosovo.

30 Nevertheless, regarding the PfP, there are significant question marks regarding the ultimate relevance of an organization and program that includes such disparate members as Belarus, Turkmenistan and Uzbekistan.


<table>
<thead>
<tr>
<th>Country</th>
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All scores available at: [http://www.freedomhouse.hu/index.php?option=com_content&task=view&id=84](http://www.freedomhouse.hu/index.php?option=com_content&task=view&id=84). Note: 2003 scores for both Serbia and Montenegro are for the State Union of Serbia and Montenegro. Countries are listed in order of their scores in the *Nations in Transit* 2007 edition. Disclosure: The present author has served as a Balkans consultant for Freedom House since 1999. However, I did not contribute to the *Nations in Transit* series during the reporting period cited above.

### TABLE 4: Southeastern Europe According to Transparency International, 2003-2007

<table>
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<tr>
<th>Country</th>
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All scores available at [www.transparency.org](http://www.transparency.org). Note: scores for Serbia from 2003-2005 include Montenegro. Countries are listed in order of their scores in Transparency International’s *Corruption Perceptions Index*.

### TABLE 5: World Bank *Ease of Doing Business*, 2006-2008

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<td>136</td>
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All scores available at: [www.doingbusiness.org](http://www.doingbusiness.org). Note: The score for both Serbia and Montenegro in 2006 applies to the last year in which the state union of Serbia and Montenegro still existed. Countries are listed in order of their scores in the *Doing Business 2008* report.
Second, several countries in southeastern Europe are now either EU members (Slovenia, Romania, Bulgaria, and Greece) EU candidate countries (Croatia, Macedonia) or have initialed SAA agreements with the EU (Albania, Bosnia & Herzegovina, Montenegro, Serbia).

Regional economic integration has also moved forward considerably, especially since the Yugoslav wars of the 1990s. In December 2006, the Central European Free-Trade Agreement (CEFTA), whose signatories are committed to the “gradual introduction of a free-trade area” expanded into south-eastern Europe when Albania, Bosnia & Herzegovina, Moldova, Montenegro and Serbia (along with Kosovo) agreed to join Croatia and Macedonia in the organization. Once fully implemented, CEFTA will create a single set of EU-harmonised trade rules which will include provisions related to trade in services, public procurement, intellectual property rights, and a unified system for resolving trade disputes. (Despite these advances, there is still a belief that local actors are not enthusiastic enough about increasing regional integration, with each individual country focusing more on its integration with the EU itself.)

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Source: Standard & Poor’s Ratings Direct, available at: [www.ratingsdirect.com](http://www.ratingsdirect.com). Notes: 1) Bosnia & Herzegovina and Albania are not rated by Standard & Poor’s; 2) During the reporting period examined, Bulgaria received upgrades in 2005, 2006, and 2007; Croatia received an upgrade in 2005; Macedonia received an upgrade in 2005; Montenegro received upgrades in 2005 and 2007; Romania received upgrades in 2005 and 2006 and was downgraded in 2007; and Serbia received upgrades in 2005 and 2006 and was downgraded in 2007 because of concerns over a loosening of fiscal policy. I would like to thank Mr. George Sarcevich, a Belgrade based economic consultant and investment advisor, for sharing his expertise on this topic with me.

See Delević, “Regional Cooperation in the Western Balkans,” 22.
Considerable progress has also been made with regard to regional arms control initiatives,\textsuperscript{37} as well as in understanding the importance of early, preventive action to stop potential conflicts from spiraling out of control.\textsuperscript{38}

Clearly, the region has come a long way since the initial breakup of Yugoslavia in 1991-92. The question I want to pose, however, is whether this will be enough to see southeastern Europe’s democratic and market transition through to a successful conclusion? Are the processes promoting peace and stability in the region self-sustaining? My tentative answer is no—unless both the U.S. and the EU recommit to the region in a serious way, and reconsider a number of policies they have adopted toward the region.

The reason for this answer is that several developments—some newer, some more long-term—have been taking place which are bringing the region into a new era. The three pillars of Balkan stability over the past several years—a significant U.S. military presence, the promise of foreseeable EU accession for the Balkan countries, and the international agreements guaranteeing stability in the region for the past several years (the Dayton Peace Accords, the Ohrid Peace Agreement in Macedonia, and U.N. Security Council Resolution 1244 which ended the Kosovo conflict)—are all being either dismantled, withdrawn, or are otherwise under pressure. Meanwhile, a new strategic variable has been introduced into the Balkan equation with Russia’s return as a serious player intent on promoting its own interests in southeastern Europe.

\textsuperscript{37} Annex 1B of the Dayton Peace Accords, for instance, was the initial step in drawing up a series of regional arms control limitation agreements and implementing a number of military transparency and confidence building measures that have been continued through the present time. Such measures did not exist prior to 1992.

Withdrawal of the U.S. Military Presence

The U.S. has pulled its troops out of Bosnia, and the current international peacekeeping force there—the “European Force” (EUFOR), numbers less than 4,000 troops. The NATO force in Kosovo currently totals approximately 16,000 troops, some 2-3,000 of whom are American. Along with this drawdown in military forces has been a concurrent decrease in the high-level political and diplomatic attention given to the region.

Behind these numbers, however, lies the unfortunate fact that the U.S. military is exhausted from the wars in Afghanistan and Iraq, and the U.S. and Western European countries have repeatedly shown their unwillingness to risk their troops in the Balkans. This has been evident from the Srebrenica massacres in 1995, to NATO’s bombing campaign against Serbia in 1999, to NATO’s failure to prevent the exfiltration of militants from Kosovo into Macedonia and southern Serbia in 2000-2001, to the March 2004 pogroms in Kosovo against Serbs and other non-Albanian ethnic groups. This fact gives militants in the region a

During an October 2007 visit to Bosnia, in the course of a 900 kilometer drive around the country I encountered a total of three EUFOR soldiers—sitting in a café outside of Bijeljina.

There are several aspects to this problem. The first is that since September 11 and the beginning of the wars in Afghanistan and Iraq, high-level decision makers’ attention in Washington and other capitals has shifted away from the Balkans. As one European diplomat noted in February 2003, “The problem is that the Balkans are now in the hands of middle-ranking bureaucrats who aren’t decision makers and don’t cut it analytically.” As quoted by Daniel Simpson, “Croatia Waiting for a European Balkans Plan,” The New York Times, 23 February 2003, 6. Morton Abramowitz and Heather Hurlburt have made a similar observation, noting that “Responsibility for Balkan decision-making at the State Department has drifted down from the ‘7th Floor’ special envoys and political figures to the ‘6th and 5th floor’ mid-level career officials and out to the embassies themselves—a reduction not necessarily in competence, but certainly in high-level attention.” See Abramowitz and Hurlburt, “Can the EU Hack the Balkans? A Proving Ground for Brussels,” Foreign Affairs 81 (September/October 2002), 6.

A further problem with the international response to the region is that the overall quality of personnel has often been substandard. As one critique has noted, the international effort in the Balkans has been “hampered by a rapid turnover of often unqualified personnel, lacking relevant experience, including sometimes in senior positions.” See “Bosnia’s November Elections: Dayton Stumbles” (Sarajevo/Brussels: International Crisis Group Report No. 104, 18 December 2007), 17. Sumantra Bose has described many of the international officials working in the Balkans as “so many adventure seekers, missionary zealots on civilizing field expeditions and careerists from comparatively dull and boring post-industrial Western societies.” See Bose, Bosnia after Dayton: Nationalist Partition and International Intervention (New York: Oxford University Press, 2002), 12. Jacques Klein, the head of the United Nations Mission in Bosnia, once noted that “There are more people (in Sarajevo) who know nothing about this country than in any other capital where I’ve ever served.” See Klein’s comments as quoted by Robert Wright, Irena Guzelova, and Jonathan Bircall, “Bosnia-Herzegovina: Fear Proves to be the biggest vote-winner.” The Financial Times (London), 18 December 2000 (Bosnia-Herzegovina Country Survey).
distinct psychological advantage: knowing that NATO and other international organizations are unwilling to suffer casualties in the Balkans allows them to set the political agenda, to determine the timetable for implementing this agenda, and to create facts on the ground. In sum, unless there is more resolve in western capitals to confront militants and change the rules of engagement for NATO troops stationed in the region, there is little reason to be sanguine about either the ability or the willingness of current forces to maintain order should extremists decide to act.

EU Enlargement Fatigue

The “enlargement fatigue” the E.U. is currently suffering from is another source of strategic insecurity in the region. Since promises made at the E.U.’s 2003 Thessaloniki Summit that the E.U. would enlarge to include the Western Balkans there has been noticeable backsliding on the part of many E.U. officials, most especially since the failure of referenda on the E.U. constitution in France and the Netherlands in 2005, but also because “absorption fatigue” has set in after the accession of twelve new members to the union since 2004.

The impact this uncertainty over if and when the E.U. will include the Western Balkan states has been considerable. 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.”41 Along similar lines, former Macedonian prime minister Vlado Bučkovski expressed the concerns of many reform-oriented Balkan political leaders when he noted that 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.”42

Dismantling of the Balkan Security Arrangements

Balkan stability over the past twelve years has rested in large part on several agreements enjoying both regional legitimacy and the support of the great powers. These include the Dayton Peace Accords, U.N. Security Council Resolution 1244 regulating the end of the Kosovo war, and Macedonia’s Ohrid Accords. Each of these agreements is being called into question in various ways.

The problem this poses is that at the level of both the great powers and the regional players, the consensus on which Balkan stability has rested for the past several years has disappeared, but no corresponding international or regional consensus on the new Balkan order has emerged. What made Dayton possible (and successful) was that at three different levels (at the intra-Bosnian level, at the regional level between BiH, Croatia, and Serbia, and at the great power level between Washington, western European capitals, and Moscow), all the actors involved agreed that they could accept the agreement. The same was largely true for Kosovo and UNSCR 1244.

Such multi-level consensus on Balkan policy no longer exists. Instead, what we see is that within several countries, sizable percentages of their populations see current arrangements as illegitimate. This of course gives rise to a variety of revisionist/revanchist hopes and dreams for resettling old grievances the next time the geo-political cards in Europe are re-shuffled. As long as there was international consensus on the contours of Balkan order, however, the revisionists and revanchists were a minor threat. With the dismantling of the Balkan security arrangements in place for the past several years, however, now even major powers may see the emerging Balkan order as illegitimate, the implications of which are difficult to foresee, but worrying nonetheless. Kosovo is only the most obvious example of this new trend, but recent divergences in the ways Washington and Moscow approach problems in BiH provide indications of further problems to come. Barring changes in the diplomatic approach the great powers adopt towards the Balkans (and towards each other) what we may see in the coming years is that disputes
between the different Balkan states and ethnic factions will last longer and run deeper than would otherwise have been the case if there was great power consensus on what needed to be done. Should this scenario prove true, it will do considerable damage both to regional integration, and to the Balkans’ Euro-Atlantic integration efforts as well.

**The Return of Russia**

Russia’s return to the Balkans is a major strategic development likely to have profound consequences for international policy in the region in the coming years. Russian investors have been busy acquiring many strategic sectors of the local economies—in Bosnia, buying the largest oil refinery; in Montenegro, the largest industrial enterprise; in Serbia, Gazprom is set to become the main strategic investor in Serbia’s national oil company (NIS), and Aeroflot is interested in acquiring what is still called “Yugoslav Airlines” (JAT). Russian president Vladimir Putin has paid several visits to the region—in March 2006, he attended the signing ceremony in Athens for a new oil pipeline to be built across Bulgaria and Greece which will bring Russian oil to western markets through Aegean ports. In January 2008, Putin and Russian deputy prime minister Dmitri Medvedev visited Bulgaria to sign an agreement to route the South Stream gas pipeline through Bulgaria, and to build a new nuclear power facility there.\(^{43}\)

Russian officials have been the most vocal (but not the only) opponents of the push to recognize Kosovo independence, and their opposition is complex and multi-dimensional, shaped to various degrees by their perception that NATO could potentially still be a threat to Russia. A major turnaround in Russia’s perception of the U.S. and the NATO alliance in this regard appears to have been NATO’s bombing campaign against Serbia in 1999; as one analysis has put it, this was “the beginning of the end

for the post-Cold War strategic partnership between Russia and the West. This campaign did more even than NATO’s eastward enlargement to shape Russian perceptions of the Alliance.”

Putin himself has on numerous occasions spoken about the need for “universal principles” when it comes to settling the status of frozen conflicts such as those in the Balkans and the Caucasus, and has worried about the precedent the Kosovo case may set in other similar cases. During a visit to Bulgaria in January 2008, Putin warned that a unilateral declaration of independence by Kosovo authorities and its recognition by “other members of the international community . . . [would be] illegal and immoral.” On a visit to Belgrade in April 2007, Russian foreign minister Sergei Lavrov described Serbia as the “leading Russian partner in the Balkans,” clearly signaling that part of Moscow’s support for Serbia is also due to the fact that it is looking for a reliable ally in the region. There are also other, more symbolic aspects to Moscow’s position, such as Putin’s ambition to be seen as a defender of Orthodox peoples. This dimension of Russia’s Balkan policy is in part what has been driving Russian concern for the human rights situation in Kosovo, and Moscow’s strong support for the “standards before status” policy that was abandoned in 2005.

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44 Oksana Antonenko, “Russia and the Deadlock over Kosovo,” Survival 49 (Autumn 2007), 94. The NATO bombing campaign in 1999 also had significant consequences for domestic Russian politics. Grigory Yavlinski, for instance, has claimed that it marked the end of the democratic opposition in Russia. (Professor Ivo Banac related Yavlinsky’s statement during a program at the New School University, 3 December 2007).


47 See J. Tašić, “Moskva protiv namentanja rešenja,” Danas (Belgrade), 20 April 2007, available at: http://www.danas.co.yu/20070420/dogadjajdana1.html#1 Putin himself reiterated this sentiment in January 2008 in a letter to Serbian President Boris Tadić, writing that “Serbia was and is Russia’s key partner in the Balkans.” See Putin’s letter to Tadić at: http://www.predsednik.yu/mwc/default.asp?c=301500&g=20080115092812&lng=cir&hs1=0

48 According to Antonenko, “now Russia is being asked to approve status before standards, with no prospect that these standards would in fact be implemented in the foreseeable future. Without such guarantees, such an endorsement would be seen by many Russians as yet another betrayal of Orthodox values—an endorsement of the destruction of Orthodox churches and monasteries across Kosovo and the persecution and expulsion of ethnic Serbs.
Russian opposition to U.S. and E.U. plans to recognize Kosovo independence, however, draws opposition from broad segments of Russian society, not just from the *siloviki*; former Soviet leader Mikhail Gorbachev, for instance, has recently criticized both NATO and the EU on this score, arguing that “For the first time in history, two organizations have taken into their own hands the fate of a country—Serbia—which is a member of neither.”

What is significant about these developments is that Russia’s return to the Balkans is giving the countries in the region political, diplomatic and economic options, something they did not have in the 1990s. Serbia turning to Russia for diplomatic support in the Kosovo negotiations is only the first of what might prove to be many other such developments. Even Greece is coming under sway to some extent: for instance, in December 2007, Greek Prime Minister Costas Caramanlis visited Moscow, where, among other things, his agenda included the purchase of 400 Russian tanks.

Thus, what we might see in the coming years is the Balkan countries playing, to greater or lesser extents, a new version of Tito’s old game of playing West off against East in order to obtain the greatest possible advantages for themselves. From the Balkan perspective, this is not necessarily a bad thing. What it does mean, however, is that the price the U.S. or the E.U. will have to pay for lining up support from the countries in the region on various diplomatic, political, and economic issues may start rising noticeably. As of yet, the U.S. and the E.U. appear not to have even noticed that a new game is afoot in the region, or have not mustered the political will to change their policies to reflect these new political developments. After the signing of the Bulgaria-Russia deal in January 2008, for instance, one expert it would also contravene Putin’s approach, which relies heavily on promoting Russia’s role as de facto protector and champion of Orthodox values around the world.” See Antonenko, “Russia and the Deadlock over Kosovo,” 99.

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50 *Southeast European Times*, 21 December 2007.
from the region frustratingly noted that “The E.U., shockingly, acts like a naïve bystander, completely blind to the major strategic reconfiguration that is taking place in the Balkans.”

The “Unmixing of Peoples” in the Balkans

One last thing that will perhaps have the most profound effect on the Balkans’ future is, to use Roger Brubaker’s phrase, the “unmixing of peoples” that has been ongoing for much of the past two hundred years. Most recently, this unmixing of peoples was seen in the former Yugoslavia even during the communist period, with Croats and Serbs leaving areas such as Bosnia-Herzegovina for their “home” republics, while at the same time there was a net inflow of people who were then called Muslims from other parts of the former Yugoslavia to BiH.

The wars of the 1990s, of course, violently accelerated this process, most especially with the forced expulsions (and sometimes mass murder) of the Bosniac communities in the Drina River valley. But the process continues even today, with Serbs leaving the Sandzak and Kosovo south of the Ibar River, Albanians leaving northern Kosovo, ethnic Macedonians leaving western Macedonia, etc. A few facts will illustrate this story well. 80 percent of the graduating high school seniors in Banja Luka over the past two years have reportedly never been to Sarajevo. In many Sarajevo municipalities, on the other hand, over 95 percent of municipal employees are Bosniacs, and most anecdotal evidence from Bosnia suggests that the people who are reclaiming their property in areas they were forced out of or fled during the war are selling it as soon as they can and moving to areas in which they are part of the ethnic majority.


54 See Amra Kebo, “Od povratka ni dovratka,” Oslobodjenje (Sarajevo), 30 January 2002. The UNDP has come to a similar conclusion on the refugee and property return process in BiH; see Social Inclusion in Bosnia and Herzegovina, Sarajevo: United Nations Development Program, 2007. Available at:
the central Bosnian town of Bugojno, of the 16,500 Croats and 9,000 Serbs who lived there before 1992, only 4,500 Croats and only 300 Serbs had returned as of January 2008. Many of the returnees are older people.  

The political implications of this homogenization of territory in the Balkans are likely to be profound. As different regions and territories within the Balkans become more ethnically homogeneous, there will be a corresponding increase in their unwillingness to accept centralized governmental authority if the capital city is somehow considered to be ethnically “other.” This was the pattern in the old Yugoslavia, where at least part of Croatian and Slovenian resistance to greater centralization was due to their unhappiness in transferring power to what was seen as a Serbian city. The same holds true today in BiH and Macedonia, and it is not inconceivable that it may come to represent thinking in northern Montenegro and perhaps the Sandzak as well.

Conclusions and Projections

Now that the international community has almost two decades of intensive experience and engagement in the Balkans, several lessons can be drawn about what needs to be done as we move into this new period to promote stability in southeastern Europe. Three points are worth making here.

The first is theoretical. With respect to the forms of government and types of constitutions that the international community is promoting and imposing upon the region, Sumantra Bose is almost undoubtedly right when he argues that based on recent experience in the Balkans, “there may be no alternative to consociationalism in deeply divided societies.” This being the case, then the international community should make necessity a virtue by accepting this fact, rather than wasting enormous amounts

56 Bose, Bosnia after Dayton, 248.
of time and energy attempting to impose forms of majoritarian democracy that are simply not a part of Balkan political culture.\textsuperscript{57} One of the most important lessons of the past 20 years in the former Yugoslavia is that attempts by larger ethnic groups to use democratic mechanisms to impose their will on smaller ethnic groups are always fiercely resisted, and often lead to violence. In the early 1990s, for instance, as Slobodan Milošević was attempting to reform the Yugoslav federation along the lines of “one person, one vote,” Slovenian president Milan Kučan argued, “Can the imposition of majority decisionmaking in a multinational community by those who are the most numerous be anything else but the violation of the principle of the equality of nations, the negation of its sovereignty and therefore the right to autonomous decisionmaking . . . “\textsuperscript{58} Similarly, at least part of the Albanian insurrection in Macedonia in 2000-2001 was a result of the failure (or unwillingness) of the Skopje government to accept the procedures and obligations of consociationalism in a multiethnic environment consistent with Balkan political culture. Most recently, many of the problems Bosnia & Herzegovina has experienced over the past 18+ months is directly a result of attempts, under the guise of promoting majoritarian democracy and more “efficient” government (the same things Milošević claimed he wanted to achieve in the late 1980s), to overturn the essence of Dayton by reducing or eliminating many of the Dayton constitution’s consociational features.\textsuperscript{59}

\textsuperscript{57} In the most detailed comparison of the efficacy of consociational versus integrative political mechanisms in post-Dayton Bosnia I have seen, Nina Casperson has come to the following conclusion:

> the imposition of an unpopular integrative structure may make it even more difficult to create a self-sustaining peace . . . in the Bosnian case, the consociational model has been more effective in promoting stability, despite the international presence which makes the need for local acceptance less pressing. The greater effectiveness of the consociational model has been due to the deep divisions in the population, the dominance of self-determination claims in the conflict and the absence of a majority group.


\textsuperscript{59} Richard Holbrooke, for instance, has implicitly made this same point with respect to Bosnia, noting that “Bosnia is a federal state. It has to be structured as a federal state. You cannot have a unitary government, because then the country would go back into fighting. And that’s the reason that the Dayton agreement has been probably the most successful peace agreement in the world in the last generation, because it recognized the reality” (emphasis added). See the interview with Holbrooke, entitled “Kosovo Independence Declaration Could Spark Crisis,” at: http://www.cfr.org/publication/14968/holbrooke.html. Daniel Serwer of the United States Institute for Peace has placed much of the blame for the current problems in promoting constitutional reform in Bosnia on the current Bosniac member of the Bosnian state presidency, Haris Silajdžić, who “has preferred to campaign quixotically for
This pattern also suggests that recent plans by the Serbian government to increase state centralization will be counterproductive.

Consociational systems can and do evolve, however, and as Bosnia’s postwar state-building project continues, there is evidence that with the passage of time integrative mechanisms and institutions may be more successful. As one recent analysis of post-Dayton Bosnia has noted,

. . . if Bosnia and Herzegovina succeeds further in the gradual transformation process of its institutions, this could be an indication that what might initially seem excessively consociationalist is, in fact, necessary to assure communities and their political representatives that they can engage in political processes with their erstwhile enemies on the battlefield without fear of losing politically what they did not lose militarily . . . there is nothing absolutely permanent about even as rigid a consociational design as the one adopted by the Dayton constitution. Coupled with strong international involvement and security guarantees, and complemented by strong individual human and minority rights provisions, consociational designs have proven their immense value as transformative institutional designs, which, rather than permanently entrenching adversarial ethnic identities, instead generate the space and time necessary to enable the parties to move beyond some of the initially necessary rigidity of institutions aimed at protecting weaker parties in conflict settlements. Internationalized state building can thus serve the stabilization of states emerging from conflict well if it draws on a well balanced approach of consociational techniques, moderated by integrative policies, tempered by a wider regional outlook and sustained by resourceful and skilled international involvement.60

Second, the EU needs to develop a new accession model for the Western Balkan states, and both the EU and NATO need to lower the bar for their entry. The reasoning for this conclusion comes in several parts. First, the countries of the western Balkans face considerable disadvantages regarding EU accession in comparison to that of the 12 countries that joined the EU in 2004 and 2007. The historical legacies of the wars of the 1990s and the multiethnic structure of several of these countries (especially Bosnia & Herzegovina and Macedonia, but perhaps Montenegro as well) will make it inherently more difficult for them to adopt the reforms needed to fully comply with EU standards.

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Second, time is not working in favor of the western Balkan countries. Donor funding for the region has been declining since 2002, foreign direct investment is moving towards countries which are either in the EU already (Bulgaria, Romania, Slovenia) or are in advanced stages in their accession process (Croatia). Moreover, given the way EU pre-accession funds are structured and disbursed, more monies are given to countries the closer they are to becoming members, which means that the longer the western Balkan countries do not have serious prospects for becoming members, the greater the gap between them and EU states grows. This creates a vicious circle in which it becomes more and more difficult for them to attain EU standards. As Marie-Janine Calic has argued,

. . . the Western Balkans find themselves in a much less favorable position than the [Central and Eastern European States] in the pre-accession phase. The former face a number of constitutional and political uncertainties following a decade of war and destruction; they lack the institutional and administrative capacity to use EU instruments properly; and neither the political determination nor the substantial economic growth necessary to underpin the reform process are in place.61

Third, for strategic and security reasons it is in the EU’s interest to get the Balkan countries in sooner rather than later. A glance at the map of NATO and E.U. states reveals how dangerous it is to have such an economic and security vacuum in the middle of both organizations. As Jacques Klein put it during a visit here earlier in the year, either the EU lets the Balkans into the EU, or the Balkans will enter the EU on their own—one person at a time.

Such a policy of lowering the bar for entry would not be unprecedented for the EU. Many of the countries that joined in 2004 were not ready for membership; the decision to accept them was in many respects a political decision (and a correct one) that a historical opportunity to unite the continent should not be missed. A similar logic applied when Bulgaria and Romania were accepted last year; moreover, by almost any measure, Croatia is a better candidate for EU membership than either Bulgaria or Romania were at the time of their admittance. And the accession of Cyprus in 2004 shows that even having a long-term frozen conflict on a state’s territory does not necessarily preclude it from membership in the union.

61 See Marie-Janine Calic, “The Western Balkans on the Road Towards European Integration” (Berlin: Friedrich Ebert Stiftung, December 2005), 5-6.
Finally, there is need for urgent action in the three states that will be most affected by Kosovo’s forthcoming declaration of independence. The first is Kosovo itself, which will start out its “independent” existence very close to being a failed state right from its inception, with a frozen conflict dividing part of its territory, unable to gain membership in the United Nations, the OSCE, and possibly a number of other international organizations as well, unrecognized by a number of its neighbors (Serbia, Bosnia & Herzegovina, Romania, Cyprus) and great powers (including China and Russia), dealing with almost insuperable economic problems, and a population in which 60 percent of its residents are less than 30 years old. All of this virtually guarantees that Kosovo will be a ward of the E.U. and NATO for many years to come. To keep Kosovo from becoming a failed state—and taking Albania, Macedonia and Serbia down with it—will require substantial amounts of international assistance, as well as an international security presence much more serious about confronting militants.

Macedonia is likely to face even more substantial threats to its viability after Kosovo becomes recognized. In many ways, the essence of Balkan nationalism—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?”—will be most evident in Macedonia because of the structural logic of the situation. With two million co-ethnics living in an independent state to their north, and three million co-ethnics living in an independent state to their west, it is very difficult to see why 500,000 Albanians would be satisfied living in a state in which they claim they are treated as second class citizens and are discriminated against. We saw in Bosnia and Croatia in the 1990s that such a situation is fraught with dangerous possibilities. As one American diplomat with considerable Balkan experience, Christopher Hill, noted several years ago, “We spent the 1990’s worrying about Greater Serbia. That’s finished. We are going to spend time well into the next

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century worrying about a Greater Albania.” Unfortunately, it is also clear that Macedonia’s politicians are deeply divided with regard to how they see the future of their state.

For these reasons, it is important that NATO extends an invitation to Macedonia to join the alliance at its upcoming Bucharest Summit in April. (Albania and Croatia are also candidates. Croatia is almost certain to be invited. Whether Albania receives an invitation, although desirable, is a matter of doubt at the moment). This would send a firm signal to extremists that NATO is committed to protecting that state (and others in the region). It is already clear that some elements in Macedonia are intent on provoking a new conflict there (witness the spate of killings of police officers in northwestern Macedonia and in the

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Currently, most (but not all) Albanian officials in Albania proper, Kosovo and Macedonia deny any intention of creating a “Greater Albania” or a “Greater Kosovo.” Whether or not these are sincere, or whether they represent what political scientists call “strategic expressions of preferences” remains to be seen. As one career U.S. diplomat with years of experience in the Balkans has argued, “Would an independent Kosovo be a factor of stability in the region? Again, the answer is in the negative. Kosovo Albanians have learned to talk the talk of international diplomacy. For now all of the Kosovo-Albanian leaders are prepared to renounce claims to union with their brethren in Macedonia and Albania. But how long the Albanians would be prepared to adhere to a separate existence is questionable. Albanians throughout the Balkans understand that union now is out of the question, but the 1999 war caused a qualitative change in the relationship among all three elements of the Albanian body politic. Albanian political opinion has become more nationalist, and Albanians across the Balkans now enjoy closer ties than at any time since the collapse of the Ottoman empire.” See Louis Sell, “Kosovo: Getting Out with Peace and Honor Intact,” Problems of Post-Communism 48 (March/April 2001), 12. On preference falsification and strategic expressions of preferences in ethnic conflict, see Hudson Meadwell, “A Rational Choice Approach to Political Regionalism,” Comparative Politics 23 (July 1991), 402; Timur Kuran, “Now out of Never: The Element of Surprise in the East European Revolution of 1989,” World Politics 44 (1991), 7-48; and Anthony Smith, “Nationalism, Ethnic Separatism and the Intelligentsia,” in Colin H. Williams, ed. National Separatism (Vancouver, Canada: University of British Columbia Press, 1982), 18-19.

64 See the report of a November 2006 meeting of Macedonian government and opposition leaders in Mavrovo, Macedonia, organized by the Project on Ethnic Relations, entitled Macedonia’s Euro-Atlantic Integration: Advancing Common Interests (Princeton, NJ: Project on Ethnic Relations, January 2007).

65 As Abramowitz and Hurlburt note, “Macedonia still needs constant watching, both for its own sake and because ethnic Albanian rebels there could re-ignite fires in nearby Kosovo, southern Serbia, or even Montenegro.” See Abramowitz and Hurlburt, “Can the EU Hack the Balkans?”, 6.
village of Aračinovo northeast of Skopje in recent months). A more robust NATO presence in Macedonia would provide a more visible deterrent against would-be militants.

Finally, perhaps the most important issue that needs to be dealt with is what to do about Serbia. Given Serbia’s size and strategic importance, international policy in the Balkans cannot afford to isolate Serbia, or to let Serbia isolate itself. Much the way allowing Kosovo to become a failed state would have serious negative consequences for neighboring states, allowing Serbia to again become isolated would have even greater implications.

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66 On 10 September 2007, one Macedonian police commander was killed and two policemen were injured near the Albanian village of Vaksince in northeast Macedonia. See “Macedonian Police Commander Killed in Gunfight,” BIRN, 10 September 2007, available at: [http://www.birn.eu.com/en/102/15/4141/](http://www.birn.eu.com/en/102/15/4141/). On 24 October 2007, one Macedonian policeman was killed and two were injured after they were ambushed near the village of Tanuševci by the Kosovo border. See “Macedonian Policeman Killed near Kosovo Border,” RFE/RL Newsline, 25 October 2007. On 12 January 2008, four Macedonian policemen were injured (one went into a coma) outside of Tetovo when their vehicle was struck by a car with Kosovo license plates driven by suspected smugglers. See “Припадник на граничната полиција во кома по судар со шверцери,” [http://www.makfax.com.mk/look/novina/article.tpl?IdLanguage=10&IdPublication=2&NrArticle=97286&NrIssue=555&NrSection=10](http://www.makfax.com.mk/look/novina/article.tpl?IdLanguage=10&IdPublication=2&NrArticle=97286&NrIssue=555&NrSection=10), accessed on 12 January 2008, 8:20am. On 3 January 2008, a vehicle carrying members of an elite Macedonian police unit was fired upon on the outskirts of Skopje; one officer was killed and two were injured. The attackers’ car was found near the village of Aračinovo with a rocket launcher and two automatic weapons in it. See “Полицаецот Зоран Марковски загина во нападот врз „Тигрите“, 4 January 2008, available at: [http://www.makfax.com.mk/look/novina/article.tpl?IdLanguage=10&IdPublication=2&NrArticle=96538&NrIssue=548&NrSection=10](http://www.makfax.com.mk/look/novina/article.tpl?IdLanguage=10&IdPublication=2&NrArticle=96538&NrIssue=548&NrSection=10).


67 Martti Ahtisaari, for instance, noted in 2000 that “In the final analysis, a search for the causes of instability and eventually the solutions to the regional puzzle always lead back to Belgrade. Serbia’s stabilization is central to any sustainable peace in the region.” See Ahtisaari’s statements in “Kosovo Broker Urges New Croatian Role in Balkans,” Reuters, 24 March 2000. U.S. Under Secretary of State R. Nicholas Burns’ similarly noted in 2005 that “We understand that [Serbia] is the most important country in the Balkans. And we understand that the Balkans cannot be truly peaceful and democratic and stable unless [Americans] have a good relationship with [Serbia].” See Burns’ remarks at [http://www.state.gov/p/us/rm/2005/47846.htm](http://www.state.gov/p/us/rm/2005/47846.htm). Morton Abramowitz and Heather Hurlbut have argued that “A stable Serbia . . . is essential to peace and ultimately economic cooperation among the Balkan states.” Abramowitz and Hurlbut, “Can the EU Hack the Balkans?”, 4. Along similar lines, Judy Batt has argued “Serbia matters. The EU cannot be indifferent to the fate of 7.5 million people living right on its southern border, and in the heart of the fragile Balkans region. The relative size of Serbia; its economic weight; above all, its inescapable political and cultural ties with the rest of the former Yugoslavia, and especially with the 1.7 million Serbs who now find themselves citizens of new neighboring states, combine to make Serbia the linchpin of stability—or instability—for the whole region.” See Batt, “The Question of Serbia” (Paris: Institute for Strategic Studies Chaillot Paper 81, August 2005), 71.
If it is not handled carefully and responsibly (both by international officials and by Serbian political leaders) Kosovo’s impending declaration of independence could again create a black hole in the middle of the Balkans. The scenario for this is clear—Kosovo’s impending declaration of independence will result in a series of retaliatory moves—north of the Ibar, in the Preševo Valley, in a breakoff in trade relations between Serbia and Kosovo, and the resulting disruption of diplomatic ties, communications, and economic trade throughout the region. Serbia will almost undoubtedly at least recall its ambassadors from countries that recognize Kosovo’s independence for the foreseeable future, which will have significant effects on regional integration efforts, and Serbia itself could go into a period of isolation, with a “who lost Kosovo debate” erupting and the government possibly resigning.

Unfortunately, the international diplomacy leading to this “Kosovo trainwreck” has been so mismanaged that it is difficult to come up with exceptionally profound ideas for avoiding the upcoming political and diplomatic crisis NATO, the EU, Washington, and the Balkans themselves are heading towards with regards to Belgrade. Moving forward, however, it is clear that several things must be done. First, the U.S. and the E.U. need to pursue policies that keep the doors to future cooperation with Serbia as wide open as possible. Second, they need to show an economic interest in that country greater than any other interested party. Third, the U.S. and the E.U. need to decouple future relations with Serbia from the Kosovo issue as much as possible. Fourth, and perhaps most controversially, both Washington and Brussels need to reconsider the current emphasis placed on strict conditionality with regard not just to Serbia, but to all the Western Balkan states. A strong case can be made that policies of conditionality have reached their limits in what they can achieve in the region. As Tihomir Loza has noted with respect to the downbeat assessment the E.U. gave the Western Balkan countries on their E.U. accession efforts,

The [European Commission’s] praise for the EU’s conditionality principle is . . . contradicted by its own verdict on the region’s progress. If the countries have largely
failed to live up to expectations, it may well make sense to examine the limits of conditionality.\textsuperscript{68}

The policy of conditionality is most directly associated with the Balkan states’ cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY). But while the morality of insisting on the surrender of indicted war criminals is unassailable, the strategic logic of holding entire countries hostage to the fate of a few men has become counterproductive. Timothy William Waters put this point very bluntly when he asked, “How important is Mladic’s arrest balanced against the integration of eight million people in a region that badly needs stability?”\textsuperscript{69}

In similar instances, Washington and Brussels have both shown greater understanding for the wider strategic issues at stake. In October 2005, for instance, the E.U. gave the green light to proceed with 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 Hague fugitive Ante Gotovina. Similarly, the ICTY is allowing another indicted war criminal, former Kosovo prime minister Ramush Haradinaj, to play a public role in Kosovo political life despite the fact that several witnesses in the trial against Haradinaj have been murdered in recent months.\textsuperscript{70} In both cases, larger strategic concerns have required that some unpleasant compromises be made between the just and the good. Washington and Brussels now confront the same situation with regard to Mladić and Serbia. As a wide range of human rights organizations in Serbia recently noted in an appeal to top E.U. officials, this may be the best way of preventing “non-democratic and quasi-democratic forces” from again isolating Serbia.\textsuperscript{71}

\textsuperscript{69} Timothy William Waters, “Why Insist on the Surrender of Ratko Mladic?”, The New York Times, 12 May 2006, A33. Rasim Ljajić, the Serbian government’s point man for cooperation with the ICTY, claims that 42 out of 46 indictees have been handed over and 98 percent of the documents requested by the ICTY have been delivered to The Hague. See Rasim Ljajić, “91 posto zahteva ispunjeno,” at www.B92.net, 26 October 2007, available at: http://www.b92.net/info/vesti/u_fokusu.php?id=7&start=30&nav_id=269491
\textsuperscript{70} See, for instance, the interview with former ICTY Chief Prosecutor Carla Del Ponte by Renate Flottau entitled “Durch und durch schuldig.” Der Spiegel (Hamburg), 15 October 2007, 138.
\textsuperscript{71} Among the organizations that signed the appeal were the Helsinki Committee for Human Rights in Serbia, The Lawyers’ Committee for Human Rights, Women in Black, the Center for Cultural Decontamination, the European
What is at stake?

In arguing what is at stake with regard to our Balkan policy, we can start with the self-interest argument. First, it is in the U.S.’, the E.U.’, and NATO’s interest to deal with Islamic extremists in the Balkans before they spread their ideology and expand their networks in the region, and before they have an opportunity to strike us. It is also in our self-interest to deal with the Balkan organized crime gangs that are smuggling drugs, weapons and human beings from the Middle East and the former Soviet Union to Western Europe and the U.S.

A broader lesson in self-interest from our experiences in the Balkans since the early 1990s is that it is practically impossible to ignore problems there. Sooner or later, unrest in the Balkans affects European, Russian, and U.S. interests, so the sooner the problems are dealt with the better. Since 1991, the international community has spent literally hundreds of billions of dollars stabilizing the region and aiding in reconstruction efforts. Not seeing the western Balkans through their democratic transition at this point would simply have been a waste of a several hundred billion dollar investment.\(^2\)

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\(^2\) Coming up with a precise figure for how much the U.S., the E.U., NATO, the United Nations, and the various other international organizations and agencies active in the Balkans over the past fifteen years is practically impossible to determine, but somewhere in the neighborhood of $200 billion seems roughly accurate. The following is a sample of some of the estimates that have been put forth. Between 1992-2000, one estimate suggested that the international community had spent in between $50-90 billion in Bosnia & Herzegovina alone. See Jasna Hasović, “Pola budžeta za plate službenika,” Dani (Sarajevo), 8 September 2000. Determining a precise amount is impossible because different agencies use different methodologies for calculating their expenses. Hasović and others estimated that over half of this amount had been spent on the salaries of foreign “experts” themselves. Elizabeth Pond cites figures showing that the U.S. spent $22 billion in southeastern Europe between 1992-2003, while the E.U. spent €33 billion in the region between 2001-2005 alone. Aid to Bosnia per capita in 1996-97 exceeded aid given to postwar Germany or Japan in their first two postwar years. See Pond, Endgame in the Balkans, 278. One estimate of the cost of the Kosovo war to NATO itself was $40 billion. See Michael R. Sesit, "Cost of Kosovo War Could Hit $40 Billion, Biggest Economic Impact Could Turn Out to be End of Peace Dividend," The Wall Street Journal, 29 June 1999, A11 By way of comparison, Misha Glenny has estimated that the annual budget for the U.N. Mission in Kosovo amounted to less than one-half of one day’s bombing. See Glenny, "The Muddle in Kosovo," The Wall Street Journal, 23 February 2000. King and Mason have determined that NATO countries have devoted 25 times
There is also the moral dimension to why we should remain engaged—the obligation to make sure that conflicts in the Balkans do not spiral out of control and allow human tragedies such as Srebrenica, the sieges of Sarajevo or Vukovar, or the cleansings of the Krajina or Kosovo to occur again.

Finally, what is also at stake is the ultimate success of southeastern Europe’s democratic and economic reform efforts, and the region’s efforts to integrate successfully into Euro-Atlantic institutions. This is a rare historical moment when southeastern Europe is not divided between rival empires or power blocs and almost everyone in the region wants the same things—internally, the creation of market democracies, and externally, to join the E.U. and other Euro-Atlantic institutions. Unfortunately, the window of historical opportunity for uniting the Balkan peninsula may be closing. But in contrast to more grandiose dreams of transforming the states and societies of other parts of the world, this one is doable.

more troops and 50 times more money to the effort in Kosovo than to the effort in Afghanistan. See King and Mason, *Peace at Any Price: How the World Failed Kosovo*, 21.