

## **Summary of Discussions**

SWP / WWICS Working Group

**"Balkans Politics: Different Views and Perceptions, Common Interests and Platforms?"**

2<sup>nd</sup> Colloquium, Berlin, May 24, 2004  
at Stiftung Wissenschaft und Politik

This was the second of two meetings for the working group. Please refer to the papers submitted by the core participants for a more detailed discussion of the issues raised in this summary.

### **EU in and US Out? – Examining Political and Military Issues**

Although the EU, US and NATO share the common goals of stability and growth in the Balkans, the region has gradually been receiving less and less attention as priorities have shifted to other areas. This lack of attention is perhaps reflected in the fact that, apart from Croatia, which was recently named a candidate for membership in the EU, there has been little, tangible progress on reform and stability in the region. Bosnia is still unstable and some question whether the state would remain together if the international community were to withdraw its military forces. The Union of Serbia and Montenegro has been, as both countries would agree, a failure. In Serbia itself, the strength of the nationalists, as evidenced by the strong showing of the Radical Party in the June 2004 presidential election, must be seen as a step backward. Kosovo, whose status still remains far from being resolved, recently experienced the strongest outbreak of violence in several years. The present approach of the EU and US appears to be one focused on containment, rather than addressing the underlying causes of instability in the region, i.e. organized crime, the economy and unresolved questions of status.

From the US perspective, the EU is expected to take a leading role in the Balkans, not least because it can use the carrot of EU membership as an incentive for these countries to undertake forward-looking reforms. However, there is some frustration on the US side because it believes that the EU can do even more to promote reform. In particular, the US has questioned the EU policy of providing extensive financial assistance to the region while making it conditioned on certain reforms.

This shift from NATO to EU leadership is also motivated by a desire to reduce the US military presence. However, the US will maintain at least a symbolic military presence in Bosnia, which was requested by the Bosnian presidency. A US military presence in the entire region is necessary and, because of the EU's lack of credibility on security issues, is seen by the local populations as the only true guarantor of security.

A key issue for the US continues to be the perceived lack of cooperation from within the region on capturing suspected war criminals. In addition, the US would like to see the EU become more aggressive with regard to measures it can take, such as travel bans and asset freezes, on people indicted for war crimes. Until Serbia, Bosnia and Croatia "deliver" the suspects believed to be on their territory, the US will continue to block membership in NATO's Partnership for Peace.

One issue confronting the international community is how is how it can best support the reformers and those working for stability in the region. How do you convince people that

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functioning states are better than states defined along ethnic lines? It is difficult to support individuals who are "trapped" in an organization or government that is dominated by those who do not want, for varying reasons, positive change.

The EU must also coordinate with the ambassadors of its member states because, from reports on the ground, it seems that each has his own agenda and it is hard for the reformers to keep up with each of them.

### **Economic and Business Environment**

With the exception of Albania (and Slovenia, of course), the GDP of each country in the region is well behind pre-war levels. Both the EU and the US believe economic stability in the Balkans will support regional growth and security. Seen from a more self-centered perspective, a safe, growing Balkans will create new markets for commercial exports (the primary interest of US companies) and become a source of lower costs of production (the primary interest of European companies).

The hoped-for economic developed has been hindered by weak state- and nation-building and the absence of the rule of law. Seen from the perspective of a foreign investor, how can you build a factory if you do not know who owns the land? The EU and the EBRD have been involved in projects with the local governments to establish appropriate regulations for business in order to improve the environment for investment. For example, in Serbia there is a package of 60 laws regulating the conduct of business waiting for approval. Similar steps need to be taken in other parts of the Balkans because there is clear interdependence between political stability and business and trade development.

The most significant barrier to a stable business environment, and indirectly a stable political one, has been the persistence of organized crime. In spite of the severity of this problem, the EU, and the international community in general, is often too slow with security sector reform and as a result organized crime can flourish. Humanitarian help tends to take precedence, is popular in the media and receives easy support in national parliaments. This region is developing into a "criminal black hole" and the EU – as the primary source of demand for the products of organized crime and the place where its effects are felt most-- needs to do more to stop it.

Thus far the EU approach has been to "contain" the problem but more needs to be done to address the root causes, i.e. offer practical training which would help would-be entrepreneurs to start their own businesses and provide opportunities for people to work outside of the region. The US is involved in preventing the trafficking of women and children, but because it does not directly feel the effects of organized crime in the Balkans, it tends to pay less attention to the issue.

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One of the main reasons why organized crime continues to prosper is that given the poor economic conditions in the region, especially in Albania, the only opportunity for people (especially young, poorly educated males) to make money is through illegal activities. However, even if there were jobs for the youths, they probably could make more money, more easily via organized crime. Moreover, further investment in the Balkans still may not prevent people from turning to organized crime or leaving the country in search of better opportunities. If you consider that Germany has invested 1 Trillion Euros in eastern Germany and it still cannot keep population from leaving, imagine the money that would be required to keep people in the Balkans.

Although easing immigration restrictions would increase opportunities for those who choose to leave, those who leave tend to be the most educated and this ends up creating a deficit of talent at home. Encouraging the emigrants to send large amounts of money back home will not solve the fundamental problems that require the efforts of individuals more than money.

#### **Kosovo**

The transatlantic relationship is functioning very well in Kosovo through UNMIK. Despite this transatlantic success, the situation on the ground is very discouraging and the population is getting frustrated, due to the stagnant economy and the unresolved status question, and directing more of its anger towards UNMIK. The violence of March 2004 demonstrates that finding a lasting solution to the final status question has become imperative. Further delays could spur further militancy to create a *fait accompli*.

Most people in Washington agree that standards in the Standards before Status Policy, as delineated, are dead. This policy has stalled largely because without a clear idea of what the status will be, and without individuals knowing to which country they (will) belong, citizens and politicians cannot do what is necessary to meet the standards. A multi-ethnic society cannot be created in such an uncertain atmosphere. As a result of this slow and uncertain process, moderates end up excluded from any role or influence because of the focus on status and negotiations. Everyone is busy positioning himself to improve his advantage at the bargaining table – no one can afford to be seen as accommodating. Yet, workable policies depend on moderates and their influence.

The transitional administration in Kosovo is handicapped by the fact that it is only “about transition” and it is not clear what the endpoint is going to be. It has also been weakened by its lack of authority, especially in terms of its capacity to provide security through a police force, and credibility: the Kosovo Albanians view it as a weak proxy of the UN/UNMIK and the Serbs consider it to be illegitimate and merely a representative of Albanian majority.

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A new headline issue, alongside Standards before Status, is decentralization: figuring out how to “restructure” Kosovo’s internal boundaries to give people some self-governance. The Serbian Plan for Kosovo is a concrete first step of what has been in the air for a long time, although the Kosovo issue is not really on the agenda in Serbia. The Serbs want to de-emotionalize the issue and get it on a track where it does not impinge on Serbian domestic politics.

In spite of the desire on all sides for a solution, at this point in time it does not seem that the Serbs are prepared to live as a minority and the Kosovars are not prepared to guarantee the rights of minority Serbs. Therefore, perhaps a supranational entity is needed to guarantee the autonomy of Kosovo within Serbia and of Serbs within Kosovo. The EU should step in as guarantor because this issue is ultimately about Europe.

The EU, instead of UNMIK, could be in the best position to oversee Kosovo because: (1) all the countries in the region want to join the EU; (2) the EU says that Balkans is a strategic area and this would give it the opportunity to prove it; (3) national religious and ethnic differences are not a factor when these countries contemplate EU membership; (4) the people and offices of the EU are closer to the region, both literally and figuratively; and (5) it would send a clear signal to investors that the Balkans will eventually become a part of Europe.

For the Serbs, this could be an acceptable solution for the time being but it is not clear how the Kosovo Albanians would react. The issues surrounding this proposal include whether the EU is really capable of handling such a mission, especially the security aspects which may be better left to KFOR (with improved coordination and rules of engagement), and whether the US or Russia might try to block it.

Regardless of the options put forth by the international community, Kosovo, in the end, can only be solved if Pristina and Belgrade agree on what should happen and find a way to work together.

### **EU and NATO Membership for the Western Balkans**

Although EU membership is an important goal for the countries of the western Balkans, the long wait for membership may be so long that it causes the politicians and the general public to lose interest. If membership is considered strictly in terms of satisfying economic (Copenhagen) criteria, it is clear that membership is a long way off. However, the political requirements are much easier to attain because they are a matter of political will within the countries. Ultimately, as was seen with the latest round of enlargement, membership is a political decision, not a realistic evaluation of Copenhagen criteria

Notwithstanding US promises of earlier NATO membership in exchange for help in places such as Afghanistan and Iraq— all 26 members must agree to membership, the US cannot deliver it

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alone-- membership is a long way off for most of these countries—perhaps as long as 15 years. Even attaining membership in NATO's Partnership for Peace (PFP) has been difficult for some countries. Serbia and Bosnia have had their PFP membership withheld because of their failure to arrest Mladic and Karadzic, respectively.

This policy of conditionality has been a feature of US policy (largely driven by Congress) towards the Balkans, but the effectiveness and fairness of that policy has come into question. Is it really fair to hold an entire nation hostage because of one person or a few people? The imposition of such conditions by the West could be manipulated by nationalists to turn popular opinion against the West and western-oriented reforms.

On the other hand, there is also a need for these countries, especially Serbia, to deal openly and honestly with the past—they cannot afford to allow those indicted for war crimes to escape justice because this would be a blow to the democratic forces in the country. Moreover, if Serbia does not yet have anyone to arrest Mladic, because it does not have control over its security forces, that is a perfect example of why it should not be allowed to join the Partnership for Peace.