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REVERSING THE DECLINE IN THE BALKANS: RECOMMENDATIONS FOR WESTERN POLICY

A Roundtable Summary

**Public International Law & Policy Group
and
The Century Foundation**

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REVERSING THE DECLINE IN THE BALKANS: RECOMMENDATIONS FOR WESTERN POLICY

A group of sixteen people deeply involved in Balkan issues met in early March 2004 to review the situation in Serbia, Montenegro, and Kosovo. They argued that the international community has grown complacent in the Balkans and the area is drifting dangerously. At the center of this drift is the uncertainty of the status of Kosovo, which is eroding stability and growth in the area. They urge the United States and its European allies to reverse this drift by focusing on effective ways to help bring about concrete political and economic reforms in Serbia, establishing a process to make a determination of Kosovo's final status by mid 2005, and easing pressure on Montenegro to remain a part of the Serbia-Montenegro Union. A democratic, prosperous Serbia will be better fostered by Serbia's independence from Kosovo and Montenegro. If the international community continues with its status quo policy the entire region could become seriously destabilized.

Introduction

The results of Serbia's December 2003 parliamentary elections accelerated concerns that the situation in the Balkans is seriously deteriorating. On 2 March 2004 the Public International Law & Policy Group and The Century Foundation convened a roundtable of sixteen people deeply involved in Balkan issues from the region, Europe, and the United States to review the general situation in the Balkans and examine the approach of the United States and European Union (EU) to the region.¹

Current Situation in the Balkans

Serbia

The results of Serbia's December 2003 parliamentary elections will heavily impact Serbia's tenuous union with Montenegro, resolution of Kosovo's final status, and the government's ability to implement necessary political and economic reforms. Hard-line nationalist parties secured the largest percentage of votes with the Serbian Radical Party (SRS) gaining 28% of the vote. Reformist parties, notably the Democratic Party (DS) and G17 Plus, together received only 25% of the vote. These results reflected frustration, particularly among Serbian youth, with the post-Djindjic government, the absence of economic opportunity, and the persistence of deep public nationalist sentiments in Serbia.

The new minority government, a coalition of the Democratic Party of Serbia (DSS), G17 Plus, and the Serbian Renewal Movement-New Serbia Party (SPO-NS) supported in parliament by the Socialist Party of Serbia (SPS) and led by Prime Minister Vojislav Kostunica, is likely to be fragile; its biggest challenge will be preventing an economic crisis in Serbia. Failure to improve social and economic conditions in Serbia and address

¹ The outbreak of ethnic violence in Kosovo and parts of Serbia in mid March 2004 erupted after the roundtable's meeting and, while deplorable, dramatically demonstrates the growing uncertainty and instability in the area.

corruption could undermine support for the minority government and bolster popular support for the SRS in subsequent elections. The effectiveness of the government will likely be complicated by disagreement and gridlock among its member parties on a number of issues, including cooperation with The Hague Tribunal, minority rights, corruption and organized crime, the legacy of the Milosevic regime, EU accession, and Belgrade's neuralgic relationships with Vojvodina, Kosovo, and Montenegro.

The new government is expected to focus on economic growth policies and approving a new constitution. However, a clear policy agenda for achieving these ends has not been set forth. All parties in the new government have expressed support for EU integration but whether Serbian leaders and elites are willing to meet EU requirements, especially on rule of law, is doubtful. The new government will likely deprioritize cooperation with The Hague, something sure to complicate Serbia's relations with the international community. Although Kostunica has effectively stated that Serbia would be able to survive without Western aid, he may be forced to face that possibility, since much of Western aid is conditioned on cooperation with The Hague.

Roundtable participants warned that the new government will resist resolving difficult issues related to Vojvodina, Montenegro, and Kosovo. The Serbian Orthodox Church strongly opposes autonomy for Vojvodina. The coalition government professes its determination to make the joint state of Serbia-Montenegro work but there is little evidence of that. Discussants pointed out that, privately, many Serbian leaders may be ready to concede Kosovo's independence but want to know what they will get in return, notably partition and protection of Kosovo's Serb enclaves. Nonetheless, Serbia's political leadership continues to refer publicly to Kosovo as part of Serbia and will likely use that position as leverage in any final status talks on Kosovo and to galvanize support among domestic constituents. The election has made a change in the Serbian position much more difficult.

Montenegro

The discussion focused on the nature of the Serbia-Montenegro Union and the potential domestic and regional impact of a referendum on Montenegro's independence in 2006. There was broad consensus that the Union holds little practical benefit and yet poses little harm, other than diverting the attention of political leaders within both entities and feeding internal division within Montenegro. Observers identified three options for addressing the Union: (1) the "Czechoslovakia model" which Serbia will not support, (2) a referendum in which independence would be likely, and (3) EU accession as a Union. The EU remains the principle proponent for maintaining the Union and continues to deal with Serbia-Montenegro as one unit moving towards EU integration. Participants observed that while the Montenegrin government enjoys stability and is successfully legislating reforms, it is unable to implement those reforms. With domestic unrest over unemployment and waning confidence in the government, the lack of a credible political opposition in Montenegro hinders political change and could ultimately impact political stability.

Kosovo

The roundtable focused on three interconnected developments in Kosovo: the impact of U.S. Under Secretary of State Marc Grossman's visit to the Balkans in November 2003 during which he set mid-2005 as a date to review Kosovo's progress on meeting standards and possibly begin talks on its final status; the international community's reinvigorated commitment to the achievement of its "standards before status" policy in Kosovo; and the seriously diminished capability of the UN administration in Kosovo (UNMIK) to create a functioning, effective Kosovo government.

Participants expressed skepticism regarding whether or not the international community and Kosovo's political leadership will actively commit to meeting the standards by 2005. On the one hand, the Kosovar leadership has accepted the hand it has been dealt by the international community after Grossman's visit and professes its intent to fulfill the standards as a roadmap to status in 2005. On the other hand, Kosovo is scheduled to hold elections in the fall of 2004, something that will occupy much attention and impact the leadership's decision-making on difficult political issues associated with standards. It is expected that in June the leadership's attention to implementing standards will be sacrificed to the election and reconstituting the government. The international community has not yet defined how these standards will be implemented and assessed. Roundtable participants agreed that UNMIK has proven a serious obstacle to establishing an effective Kosovo government, thereby making the resolution of the Kosovo issue much more difficult. Kosovo has a government in form while real authority rests with the UN administration.

If a determination of Kosovo's status is not made in 2005 or a definitive early date set forth for resolving the issue, Kosovars will likely lose patience and can be expected to greatly reduce cooperation with the international community and attempt to force decision on final status in some other way.

Response from the West

The roundtable believes that the West is not paying adequate attention to the area and that there is little political energy within the EU and United States to begin to resolve the region's uncertainties.

Over the last year the EU has turned its attention to preparing Balkan countries for EU accession. However, in part due to the unresolved status of Serbia, Montenegro, and Kosovo, EU policy on integrating these three entities is seriously impaired. EU reluctance to establish a clear policy on Kosovo's independence appears to be due to a number of factors. The EU views the breakup of Yugoslavia as a policy failure and aims to contain further disintegration by keeping Kosovo and Montenegro linked to Serbia. With the recent admission of ten new members to the EU, the EU is concerned that additional small members will further clutter the institutional landscape and seeks to limit their number. Lastly, it genuinely fears that an independent Kosovo would foster secessionist movements in Bosnia and Macedonia. While the EU has effectively accepted Grossman's position and the direction of the Contact Group on Kosovo, it is unprepared to work out any roadmap to a final settlement of Kosovo. Indeed, there is no indication that there is much thinking on this issue. On Montenegro, the EU has led

Western policy and aggressively continues to support the maintenance of the Serbia-Montenegro Union. The EU's effectiveness is limited by its inability to build consensus and concerted attention among its member states on what is to be done to secure Serbian reform and settle the Kosovo issue.

In the U.S. government there has been little consideration of policy change on the Balkans and deference to European wishes. The region's ambassadors have become the leading decision-makers on U.S. policy in the area, occasionally producing inconsistent policies and sending mixed signals to governments in the region. There are also serious differences within the U.S. government about continuing U.S. force deployments in the area. The Grossman visit in November 2003 apparently came about because the United States felt the EU was faltering in leading Balkan policy and took the initiative to create momentum in the region. However, most participants were skeptical that Grossman's visit would be followed by sustained attention from Washington. Approaching the 31 March certification date for U.S. bilateral assistance to Serbia, the U.S. administration is expected to hold fast to the position that cooperation with The Hague and economic reform are necessary in order for Serbia to continue to receive such assistance. The real issue with certification is not simply the assistance the government would gain or lose but rather the signal it would send to foreign investors and international lending institutions. Montenegro is a footnote for the U.S. administration.

While both the EU and the United States have avoided taking a position on Kosovo's final status, they are steadfastly concerned that partition as an answer to Kosovo's status will have a domino effect in the region, would possibly be a trigger for renewed conflict, and undoubtedly be very complicated to implement. They have not had any serious discussion on how to reach final status. Western policy in the Balkans is more likely to continue to export the problem to the future.

Policy Options

The participants believed it is essential for the West to quickly clarify and establish a common, concerted policy on the region. Resolving Kosovo's status is most crucial and the mid-2005 review date for Kosovo must be taken seriously, not simply postponed. Should Kosovo's final status go undetermined in 2005 and no clear certainty about its future emerge, the situation in the Balkans could become very dangerous. Participants strongly felt that we cannot expect much serious progress towards a democratic and stable Serbia until its relationships with Kosovo and Montenegro are resolved.

The EU and the United States should intensify consultation both bilaterally and within the Contact Group to work out a concrete policy on the region, in particular to establish a roadmap to the resolution of the Kosovo problem.

Serbia

Most roundtable participants felt that continuing the West's status quo policy on Serbia and Kosovo would exacerbate tensions in the region and undermine Serbia's democratic transition. Some participants thought that U.S. policy in particular, focusing narrowly on

Serbia's cooperation with The Hague rather than a long-term vision for the region, has lost its resonance in Serbia. The roundtable discussed alternative strategies.

Some participants suggested that perhaps the West should pursue a policy of benign neglect. Western governments would disengage, curbing their assistance to the Serbian government and putting the onus of responsibility for progress and economic reform squarely on the shoulders of the government. Western assistance would resume only with a government seriously committed to democratic reform and cooperation with the international community.

A second group argued that the West should focus on changing the nature of their dealings with Serbia on a number of issues. The United States and its European allies could initiate something of a "grand bargain" with the Serbian government involving a range of issues. This could take the form of a negotiation with Serbia—something Belgrade may not be ready for—or a long-term framework outlining a series of steps or benchmarks that the Serbian government would be expected to meet. Components of such an approach could include: cooperating with The Hague; addressing corruption; focusing on transitional reforms using conditions set both by EU accession and international monetary institutions; and discussions with Belgrade on Kosovo's independence.

Pursuing a revised, longer-term strategy should include increased assistance to building civil society and political leadership capacity in Serbia and building pressure on Serbia to seriously participate in the EU integration process. Many participants also argued that the United States and EU need to establish agreement on aid conditionality. However, participants cautioned that the West must be careful not to rely too heavily on membership in the EU as the way to resolve the problem of Kosovo.

Kosovo

Roundtable participants strongly agreed that the EU and the United States must actively commit to determining Kosovo's final status in 2005—the uncertainty of Kosovo is undermining the whole region and leading to the revival of past disputes. Resolving Kosovo's status will be an extremely difficult and complicated process, but one that must not be postponed. Since the international community is strongly wedded to its "standards before status" policy, the West must define a clear policy for implementing and assessing standards that holds not only Kosovo, but also UNMIK and Serbia, responsible for meeting the benchmarks. Serbia must be pushed to cooperate on more than just dialogue with Pristina but also on the elimination of Belgrade-supported parallel administrative structures in Kosovo.

Conference participants also argued that the Contact Group should urge a continuing reduction of UNMIK's presence in Kosovo, ultimately redefining UNMIK's role as a monitoring body, and set a timetable for turning authority over to the Kosovar government. Unfortunately, there are too many interests in keeping UNMIK in Kosovo even though its effectiveness is limited. The Contact Group must ensure that addressing

Kosovo's status in 2005 has ample regional support—perhaps even encouraging a grouping of regional partners to lead the process.

Montenegro

Participants agreed that the EU must ease pressure on Montenegro to remain within the Serbia-Montenegro Union. The Union is not in either country's interest and the lingering question of Montenegro's independence remains a divisive issue in Montenegro. The West should indicate that it will support the outcome of a referendum within the timeline indicated by the Belgrade Agreement. Before the referendum, the Montenegrin leadership needs to be encouraged to form a realistic plan for economic reform, anti-corruption, and integration of its Albanian minority community into society.

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