

CSIS-ESI, 13 May 2004
**FROM SECURITY TO DEVELOPMENT
IN THE WESTERN BALKANS**
Post-Conference Recommendations

General Recommendations for Progress in the Medium to Long-Terms

1. **International Presence in the Western Balkans.** The international military presence in Bosnia-Herzegovina and Kosovo needs to be gradually scaled down as security functions are increasingly entrusted to indigenous institutions. Nevertheless, NATO must remain prepared to intervene in the event of any serious threats to regional security. Political oversight by international representatives should not undermine the developing democratic institutions as this will delegitimize indigenous governments and create resentment against foreign control. Empowerment is essential both for governmental legitimacy and for public confidence in the government and its reform program.
2. **Status Issues.** Durable security is necessary for Kosovo on the road to final status. This signifies the internal and international legitimacy of an effective government that can ensure law and order, combat violence, and cooperate fully with international organizations. Policing, intelligence gathering, social control, law enforcement, and a uniform system of justice must become priority areas and Pristina will need substantial practical assistance in these endeavors. Security itself will be enhanced by buttressing the legitimacy and credibility of the Kosovo government.
3. **Quality of Democracy.** Greater attention must be paid to combating factors that undermine democratic participation and economic development. Foremost among these are institutionalized corruption, judicial inadequacies, organized criminality, and official cronyism. A set of standards should be met by government officials through a "transparency package" that will include steps to monitor official incomes, full disclosures about government contracts, and other forms of open public information.
4. **Development.** Only a system of institutionalized security based on a strong and professional judicial system in each state can lay the foundation for economic development, domestic and foreign business investment, and employment for a young population that may become increasingly susceptible to radicalism and criminality. In Kosovo, institutional empowerment, administrative authority, clarity in constitutional arrangements, multi-ethnic citizenship, public security, and governmental credibility can lay the foundations for structural economic reform and regional cooperation.
5. **Europeanization.** A roadmap to closer links with the European Union (EU) must be offered to each country and aspiring state in the Western Balkans. Although this will not mean a firm promise of EU membership, it should be precise in the required standards to be met for gaining specific economic benefits, whether in terms of trade, aid, investment, or other benefits. Although the European Union can only forge a Stabilization and Association Agreement (SAA) with a fully sovereign and functional state, a parallel

arrangement should be pursued with Kosovo to provide a clearer perspective for progress and achievement on the road to final status and eventual EU entry.

Specific Recommendations for Progress in the Short-Term

Kosovo - Positive Status

1. The March violence has cast a shadow on the process of stabilization and security in Kosovo. In order to navigate the appropriate course, it is necessary to understand the new realities. Among the key developments, it is evident that the political moderates are losing ground, that radicalism is on the rise, that frustration with the international community -- UNMIK in particular -- is intensifying, and that the "standards before status" formula is not producing the desired results
2. The main problem in Kosovo today -- but also the main challenge to the durable and beneficial engagement of the international community -- is that the moderate political leadership in Kosovo may be losing its legitimacy in the face of mounting pressure from extremists, disillusioned young people, and an impoverished local population. Without a credible prospect of a brighter economic future, Prime Minister Bajram Rexhepi is unlikely to successfully resist pressure for a referendum on independence in 2005. And this may occur just as the international community begins its review of the *Kosovo Standards*. An overwhelming vote in favor of independence, which is certain, could have serious repercussions, as international actors will be pushed into a lose-lose situation, with security further deteriorating. International institutions can only forestall a unilateral move towards independence by the Kosovo leadership in 2005 by offering a concrete and achievable roadmap toward status.
3. The priority must be on strengthening the role of political moderates. This means that pragmatic and legitimate political forces must be given credible options -- both sticks and carrots -- with which to secure the support of majority Albanians and minority Serbs. To this effect, the transfer of responsibility to the local level is necessary: be it both in the security arena and in terms of the instruments that will encourage economic development. With regard to security, the KPS (Kosovo Police Services) must be strengthened during the next year, so as to become the dominant security provider in Kosovo.
4. The UNMIK mission must be altered, as the current format is no longer sufficient to serve the requirements of sustained development. The UNMIK framework does not (and probably cannot) guarantee security and it lacks an effective economic plan. The goal should be to strengthen the EU pillar within the UNMIK establishment, and make the EU responsible for helping coordinate economic reconstruction and democratic development in Kosovo. The EU has ample instruments and experience in this domain. It should consider extending some of the same benefits it offers Romania and Bulgaria to Kosovo. Two logical programs, which can be extended to Kosovo, are SAPARD (Special Accession Programme for Agriculture and Rural Development) and ISPA (Instrument for Structural Policies for Pre-Accession). Moreover, there is no reason why conditionality could not be attached to these two programs once they are extended to Kosovo.
5. Postponing status in the hope of achieving certain democratic standards, and at the same time insisting on specific standards which several EU states do not meet, is an outdated

approach that is no longer credible. The process must be transferred onto parallel tracks: "Standards with Status," or better still the process should evolve into one of "*positive separation*" based on the Finnish model. (Finland was granted independence from Russia at the turn of the 20th Century through a process of gradual separation, termed *positive separation*.) We must keep in mind that standards and status are mutually re-enforcing mechanisms, and their positive correlation must be expanded. Kosovo has the institutional framework to be self-sustainable, but the local leadership remains complacent and hesitant in taking on full political responsibilities. The ill-defined power and decision-making balance between the international and local leaderships allows the locals to absolve themselves from political responsibility for Kosovo's future. Logically, the application of full responsibility accompanies political legitimacy and the legal authority to act. The surest way to ensure Pristina's responsibility is through accountability, authority, legitimacy, and status.

6. The Contact Group for the former Yugoslavia should appoint a Chief-negotiator on the question of Kosovo final status who will work to outline and implement the policy of *positive separation* outlined above.

Serbia -- Progress Beyond Radicalism

1. A conservative government and presidency in Serbia seems to be unavoidable in the immediate future. This is partly the consequence of the still unresolved question of Kosovo's status and is somewhat affected by the uncertainty over the future of the Serbia-Montenegro Union. But most of all, it is a product of serious economic decline in Serbia, the slow progress towards democratic reform, and the absence of a transparent and predictable governing system and economic structure enshrined in the legal order.
2. The current government has a marginal chance of remaining in power for any prolonged period of time, as the coalition is weak and internally fragmented. The Radicals, currently in opposition, have no meaningful economic agenda of their own; or one that would effectively integrate Serbian into the interconnected, interdependent, and product oriented global economy. Hence, in the near future the economic and social environments in Serbia are likely to stagnate further.
3. This government is unlikely to develop into a meaningful negotiator on the final status of Kosovo. For this reason, continuing or developing the embryonic Belgrade-Pristina dialogue during the coming year is unlikely to produce any constructive results.
4. The international community should prioritize Belgrade's cooperation with The Hague War Crimes Tribunal, while insisting that Serbia continue with its military-security sector reforms. There is enough political understanding, even within the present political leadership, for momentum to gather behind these two policy priorities. Partnership for Peace (PfP) status with NATO remains a legitimate policy objective for the present government.
5. During the coming year, assistance to reformist forces in Serbia's civil society should be redoubled by shifting assistance funds to democratization efforts, including training mid-level political party officials. At the same time, aid allocations to Serbia should be better managed while conditionality is maintained and based principally on progress with the ICTY. Belgrade must understand that its relationship with the ICTY is not one of open

cooperation, but rather a matter of Serbia fulfilling its international obligations. The EU should work with the U.S. to sever meaningful aid if significant progress in this area is not achieved; including cutting off IMF and World Bank assistance. At the same time, the EU should consider integrating Serbia into the SAPARD and ISPA programs if progress is accomplished by Belgrade.

Serbia-Montenegro: Cooperation Through Separation

1. With Montenegro moving toward a referendum on independence, most probably scheduled for 2005, international players and NATO governments should adopt a policy of “active neutrality” toward the aspiring Montenegrin state. Such a policy would strictly avoid taking sides in the referendum campaign while providing needed election assistance in order to allow voters to freely and fairly decide on the status of their republic.
2. A policy of strict neutrality by Washington on the referendum questions will prevent any illusions or resentments among the public over allegedly unfair international bias and interference. It could also help forestall any post-referendum conflicts, as the result will be deemed legitimate by the international community. “Active neutrality” would contribute to making the referendum campaign and the balloting an invaluable exercise in democratic decision-making.
3. EU and US assistance in civic education, media impartiality and professionalism, and referendum monitoring would demonstrate to Montenegrin citizens that their future lies in a democratic and expanding European community regardless of the precise status of their state. Additionally, the peaceful separation of Montenegro and Serbia while the two capitals uphold cooperative political, economic, social, and security ties will have positive reverberations throughout the Balkan region.
4. International institutions will need to bolster anti-crime and other security-focused regional initiatives in which Montenegro can be a major linchpin on the Adriatic coast. The government in Podgorica has signaled that it seeks to be a more important player in various regional initiatives and its pro-Western credentials are not in dispute.

Bosnia-Herzegovina: Transition from NATO to EU

1. The transition from a NATO to an EU mission, albeit inevitable, must be carried out in a meaningful format, accounting fully for the changes in local security realities. While American forces are no longer needed, retaining an element of American administrative presence is crucial for psychological purposes. As the peace process in Bosnia comes to a successful conclusion, a timetable is needed for phasing out the more intrusive elements of the present international mission in favor of a long-term EU presence. This would encourage Bosnia’s own elected institutions to take greater responsibility for the reform process.
2. Instability in Bosnia today is largely a product of organized crime, the presence of some international terrorist elements, economic stagnation, high unemployment, and pockets of radicalism. The argument here is much the same as the one made about Kosovo:

- economic progress, unemployment (even radicalism) can be better addressed once a local and self-sustaining security structure is in place. To this effect, the EU mission replacing NATO should focus on: **(a)** completion of the transfer of the day-to-day security tasks from the international level to the local authorities; **(b)** strengthening of Bosnian's intelligence units by transferring know-how, developing a system for intelligence safeguarding, and integrating Bosnia's intelligence community into the larger loop of intelligence exchange programs; **(c)** improving border controls and developing land-based interdiction mechanism focused on eliminating proliferation channels passing through Bosnia; and **(d)** overseeing and insuring a successful integration of Bosnia's military into the Atlantic alliance and European security infrastructure.
3. International actors must invest in an effective border control system in order to develop an independent capability to monitor and combat organized crime. This means closing institutional loopholes and minimizing corruption. The EU should commit resources and know-how in ensuring that Bosnia can effectively protect and monitor its own boundaries. The Bosnian government must be assisted in developing a land-based proliferation interdiction system on its own borders.
 4. While American counter-terrorism experts should remain leading anti-terrorist efforts, the EU should commit resources and know-how in bringing Bosnia's intelligence community up-to-speed in dealing independently with internal threats such as organized crime, proliferation of illicit materials, and organized terrorism. The various Bosnian intelligence communities must be streamlined under a common command-and-control structure.
 5. The EU should spend additional resources to help make Bosnia's integrated military a success story. This means committing funding and transferring technology and know-how in order to integrate the Bosnian army into Euro-Atlantic security structures and operations. It also means helping Bosnians attain military and functional interoperability. Cooperation between the Bosnian and EU militaries should be promoted irrespective of NATO's PfP status decision in Istanbul in June 2004.
 6. The EU should commit more resources towards professionalizing and de-corrupting the police sector in the Bosnian Serb entity. In the immediate term, the EU can take steps toward laying the groundwork for a transition to a single Bosnia-Herzegovina police force.
 7. The process of European integration is the most effective tool for consolidating and strengthening the Bosnian state. As the country progresses through the Stabilization and Association process, EU assistance should focus on building the capacity of state institutions to deal with the country's pressing development needs. Active partnership with the EU will encourage greater co-operation between the central state and other levels of government.
 8. Bosnia's complex federal system of government should be simplified and strengthened. This is a process that must be driven by compromise and co-operation among Bosnians. The international community should welcome and support an open and constructive debate on this issue that may include the termination of the cumbersome two-entity system and more effective decentralization at cantonal or municipal levels.

Macedonia: Success through Multi-Ethnicity

1. An EU review date in Macedonia would go far in strengthening and consolidating the current commitment to economic and democratic reforms and Skopje's progress in implementing the Ohrid agreements for multi-ethnic coexistence. At the same time, this would send a powerful message to the poverty-stricken Western Balkan region that maintaining and invigorating the reform program and rejecting divisive solutions such as partition and ethnic violence are attributes with substantial medium and long-term benefits. Such a constructive example could help propel a positive domino effect among Macedonia's neighbors.
2. Macedonia's application for EU membership is an important milestone in the country's history. The Union should welcome Macedonia to candidate status, to allow for more intensive engagement of EU institutions in the country's development.

These policy recommendations were prepared by:

Janusz Bugajski -- Director, East Europe Project, CSIS

Gerald Knaus -- Director, European Stability Initiative, Berlin

Borut Grgic -- Senior Fellow, Atlantic Council, Washington D.C.

The Ministry of Foreign Affairs of the Republic of Slovenia co-sponsored the conference "From Security to Development in the Western Balkans," held on March 29, 2004 at CSIS in Washington D.C. This paper does not represent Slovenia's policy vis-à-vis the Western Balkan region, but is the product of a debate, which took place at the conference and subsequent consensus among the three principal authors.