

Dangers of Regression in the Western Balkans

Janusz Bugajski

Progress has been clearly visible in parts of the Western Balkans since the wars of the 1990s, in terms of domestic reform and movement toward NATO and European Union (EU) accession. Slovenia, Croatia, and Albania are all NATO members; Slovenia is integrated in the EU; and Croatia is scheduled to complete its Union entry by the summer of 2013. However, the rest of the region confronts a number of obstacles to durable security and international integration. This analysis considers a number of adverse factors that need careful monitoring, outlines several negative regional scenarios, and offers recommendations for curtailing conflict and promoting Western Balkan security and assimilation into NATO and the EU.

Obstacles to Progress

International exclusion: There are two fundamental alternatives for the Western Balkan states – europeanization or marginalization. Europeanization means entry into both the EU and NATO, as was the case with Central Europe, the two East Balkan countries, and Slovenia, and Croatia from the former Yugoslavia. If there are long delays in accession or the prospect evaporates, there will be little incentive for further reform to converge with international standards. Publics can become resentful of extensive entry requirements and prolonged timetables, and frustrated with national leaders and EU representatives. This could assign the region to a peripheral gray zone and radicalize sectors of society facing declining opportunities for employment and material advancement.

European Union shortcomings: While the EU's limitations as a hard power have been evident in its disjointed foreign policies and restricted military capabilities, its political and economic model may also be fading as an instrument of attraction. Skepticism about the future of the EU has grown within

Janusz Bugajski is a policy analyst, writer, lecturer, and television host based in the United States, and the author of eighteen books on Europe, Russia, and transatlantic relations. His forthcoming book is entitled *Return of the Balkans: Challenges to European Integration and US Disengagement*.

The ideas in this paper were presented at the Atlantic Council's workshop, "Moving the Balkans and Bosnia Forward: A Post-Dayton Roadmap" on November 13-14, 2012. Done in conjunction with the US Army War College, the workshop brought together forty top US and European experts and policymakers to identify regional and national initiatives that could encourage the Balkans region to continue on the path toward Euro-Atlantic integration.

The views expressed in this article are solely those of the author and do not necessarily reflect the views of the Atlantic Council, its staff, or its supporters. This draft is not for citation or quotation without consent of the author.

member states as the budgetary squeeze and debt crisis in several EU Mediterranean countries has generated profound economic uncertainty. Disappointment is also visible inside the EU over the performance of recently included members, as well as with several older member states encumbered by massive sovereign debts. Enlargement exhaustion among EU publics promotes reform fatigue among aspirant countries. Moreover, the long-term benefits of EU membership will also be seriously questioned if the Union's economic crisis deepens and the EU itself appears to be splintering into a multi-layered structure.

Economic distress: Economic problems are common to all Western Balkan states. These include the impact of the global credit crunch and economic recession, which has curtailed foreign investment, limited the availability of bank credits, and reduced worker remittances. Government debts, budget deficits, unemployment rates, and the number of citizens below the poverty level have soared, while economic growth rates have either decreased or remained static. For example, the gross national debt in Albania reached almost 60 percent of GDP in 2012 and 42 percent in Montenegro; unemployment was registered at 45 percent in Kosovo, 32 percent in Macedonia, 27 percent in Bosnia-Herzegovina, and 20 percent in Serbia; while 32 percent of the Macedonian population is registered below the poverty line. A prolonged economic downturn coupled with receding EU benefits can stimulate populism and nationalism in several countries.

Deficient state building: International supervision has suffered setbacks in Bosnia-Herzegovina as leaders of the Serbian autonomous entity have campaigned to roll back the integration process. Herzegovina Croats are also reviving their pursuit of greater ethno-national autonomy and even entity status. Dayton was designed to end a war by giving national leaders of the three major ethnic groups a stake in various levels of government, but it was not designed to construct a functional civic state. The EU is seen to be faltering in restitching multi-ethnic countries or helping to establish authoritative central government institutions in former war zones. Kosovo's persistent territorial division despite the presence of both NATO and EU missions reinforces this perception. Additionally, a decrease in the US role will expose the EU even more glaringly to potential failure.

Inadequate leadership: At a time of economic distress, government coalitions remain weak and indecisive. Perceptions of widespread favoritism, nepotism, and corruption, and the persistence of cronyism and clientelism have resulted in falling public confidence in political leaders. The desire for EU membership sometimes appears to be more of a rhetorical flourish for national leaders rather than a firm political commitment. Some politicians may fear that EU conditionality and the accession process will undermine their authority and threaten opaque business deals. In many cases, there is an absence of unity on vital national questions, or political polarization inhibits decision-making. In Bosnia-Herzegovina, Kosovo, and Macedonia this is coupled with incomplete state building and challenges to territorial integrity. Government failings and the slow pace of international integration contribute to convincing compact minority populations that territorial partition or merger with a neighboring state may become a viable option.

Democracy deficits: Various forms of non-democratic politics have been evident in several West Balkan states. In some cases, this has led to charges of creeping authoritarianism where the governing party replaces loyal supporters in key institutions; expands its power through institutional, financial,

and informational manipulation; and pursues constitutional changes and other measures that are intended to cement their power. Democratic distortions may include the manipulation of elections to ensure majorities, interference in the judicial process, imposition of indirect controls over the media, and the pursuit of close ties with businesses that serve political interests.

The political status quo controlled by entrenched parties coupled with growing economic inequalities, the pervasiveness of official corruption, and unfulfilled economic and occupational expectations all have a negative social impact. They heighten public alienation, demoralization, resentment, and anger; provide ammunition to new protest movements; and encourage political extremism.

Nationalist surpluses: Nationalism continues to pose challenges to democratic consolidation and regional cooperation. Populist and nationalist elements benefit from economic stagnation and public disaffection and advocate xenophobia as a solution to numerous domestic challenges. Nationalists thrive where government institutions are not viewed as fully representative, especially where state building is incomplete. Such movements can scapegoat ethnic and religious minorities, raise demands for revising borders or acquiring territories, and fuel conflicts with neighboring states and international players. Although religious radicalism has not been an important factor in the region—particularly as the Muslim population is largely moderate, secular, and divided by ethnicity, language, and doctrine—a pauperized, resentful, and active minority may become increasingly susceptible to ultra-conservative anti-Western influences.

Generational challenges: One cannot assume that the younger generation with no immediate experience of war will not resort to conflict. Ethnic separation in education, employment, residence, and marriage—even in a single state such as Bosnia-Herzegovina, Kosovo, and Macedonia—can foster ignorance, fear, victimhood, and marginalization. In the midst of economic stagnation, this can generate feelings of injustice and anger, and leave people susceptible to nationalist appeals. Citizens may also be increasingly drawn toward the Europe-wide alienation felt by many young people facing restricted opportunities and rising unemployment in EU member states. Unfulfilled expectations and thwarted ambitions can lead to the rejection of existing political structures and gravitation toward extremist movements. Young people, especially the less educated, are more gullible to manipulation through a naïve belief in conspiracy theories promulgated by radical political groups to gain adherents.

Negative Scenarios

The region can descend into a gray zone where splutters of progress in pursuit of reform are followed by prolonged periods of stagnation or even reversal. Such conditions provide fertile terrain for varieties of political and national radicalism. Although these are unlikely to generate outright war, they can create pockets of insecurity, conflict, and violence that would disqualify several states from EU membership. Such exclusion would in turn prolong and exacerbate local disputes in a vicious spiral of failure and place enormous strain on international actors seeking to mediate or to ensure progress.

Pursuing partition: Some Western Balkan politicians contend that international actors should not block the option of state partition and territorial exchange if this is acceptable to both sides in a dispute. While US and EU policymakers oppose any further state division or enlargement, some observers

believe that preserving Bosnia-Herzegovina as a single state or maintaining Serbian majority municipalities inside Kosovo may be costly, conflictive, and ultimately counter-productive.

If violence is to be avoided, partition proposals are only realistic where they are acceptable to all parties in the dispute and are seen as part of an amicable territorial exchange. It may be feasible to exchange the four northern municipalities of Kosovo containing a Serbian majority for three southern municipalities in Serbia with an Albanian majority, or to exchange minority populations between the two regions. However, this would require several strict conditions, including a bilateral agreement between the two governments recognizing each other's statehood; a public referendum and agreement by the affected populations to join a new state; appropriate compensation for civilians displaced by the arrangement who do not wish to be part of another country; and international supervision of the entire process to guarantee that it is conducted fairly and peacefully.

Without these conditions, the secession of the Republika Srpska (RS) from Bosnia-Herzegovina will spark demands for the separation of Sandzak from Serbia, and the secession of northern Kosovo will stimulate demands for the separation of the Presevo valley from Serbia. Such scenarios are likely to encourage other secessionist movements whose leaders will calculate that the most effective strategy for success is to provoke violence and government retaliation, capture international media attention, and thereby gain the political initiative. These developments will also encourage governments to stage crackdowns to prevent separatism, while nationalist militants may arm themselves on the pretext of defending national integrity and ensuring state survival.

Armed militancy: The prospect for full-scale war between states or proxy insurgencies directly sponsored by Western Balkan governments appears remote. Nonetheless, low-level armed conflicts, whether generated by vigilante militias or armed civilians, are possible in parts of the region. Bosnia-Herzegovina, Kosovo, and Macedonia remain candidates for armed clashes if minority grievances expand and inter-ethnic discords escalate. For example, Kosovo will require a NATO presence for several years to deter and prevent armed conflict, especially in the north where Serbs do not accept the legitimacy of the Kosovo state.

With limited international deterrents, weak governments, growing ethnic polarization, and rising nationalism, armed groups may become active with covert support from some governments or opposition parties in neighboring states. The Kosovo Liberation Army (KLA) can be resuscitated, with links to Albanian militias in southern Serbia, southern Montenegro, and western Macedonia. Serbian radicals can also recreate militia groups to protect the Serbian minority in Kosovo, reinforce the RS in Bosnia-Herzegovina, establish a Serbian autonomous region in Montenegro, and attack Albanian targets in the Presevo valley. Macedonian nationalist militias can also be mobilized to defend the country's territorial integrity.

Terrorist threats: Spreading lawlessness, militia mobilization, and organized criminality may enable terrorist cells to infiltrate the region. They can exploit potential militancy among some Muslim populations to gain recruits for attacks on government targets or foreign interests. The terrorist attack on Israeli tourists in Bulgaria on July 18, 2012, focused attention on a region that some observers view as a potential hub of anti-Western terrorism. Although militant Islamist influence in the Western

Balkans is a marginal phenomenon, the extreme acts of individuals can upset inter-communal relations and provide ammunition to radicals. A few examples of terrorism, as in Sarajevo in October 2011 or in Burgas in July 2012 can misrepresent the Balkans as a major recruiting ground for *ihadists*. Such misperceptions feed the ambitions of nationalist leaders who claim that Wahhabism and Salafism are growing among Muslim populations and that they need to actively protect endangered Christian European interests.

Neighborhood challenges: If Greece leaves the eurozone or remains mired in perpetual recession in which living standards continue to fall, this would send a negative signal to all EU candidates in the Western Balkans and accentuate anti-enlargement sentiments within the EU. A potential social explosion in Greece can impact the stability of neighbors. In the most damaging scenario, expanding impoverishment may precipitate the emergence of a more authoritarian government in Athens that appropriates some of the xenophobic and anti-immigrant policies of the neo-fascist Golden Dawn party, whose popularity has soared as economic conditions have deteriorated. Under the pretext of restoring order and defending national dignity, a nationalist regime could target minorities and neighboring states, thus generating conflicts with both Macedonia and Albania.

Inter-State disputes: Neighborhood relations can become increasingly conflictive. The Albanian government may succumb to nationalist and irredentist sentiments, whether toward unification with Kosovo or in defense of allegedly threatened Albanian interests in Macedonia, Serbia, and Greece. This will heighten tensions between Tirana and Belgrade, Skopje, and Athens. Inter-state disputes will undermine regional cooperation, foster radicalism, and subvert security throughout the Western Balkans.

EU members, particularly Bulgaria, Romania, and Croatia, would also suffer the negative consequences of neighborhood instability and find themselves pulled into the regional struggle due to their ethnic or political connections with conflicted states. Such conditions can precipitate a wider ripple of insecurity in the Balkan-Black Sea region, with an impact on numerous trans-regional and pan-European factors, from state stability to economic development and energy security. All of these causes and consequences would also play a role in determining the future role of NATO as a security provider, the effectiveness of the EU as a pan-European political and economic institution, and the position of the United States throughout Southeast Europe.

These negative scenarios would place the onus on key international actors. While the United States has spent the last decade gradually extricating itself militarily and politically from the region and allowing EU institutions to assume the leading role, unresolved disputes that are mishandled by an indecisive and divided Union could pull Washington back into the region by having to deal more directly with a spiral of instability. This could be evident in more intensive diplomacy and intrusive mediation or even in the context of new peacekeeping missions.

Policy Recommendations

- **Regional security:** The onus must be on incumbent governments forging inter-state agreements that acknowledge each other's sovereignty, independence, and statehood, and accept common

borders with no ambitions or pretensions to neighbor's territories. Each capital must clearly and openly revoke any support for irredentism toward nearby states.

- **Institutional development:** Political institutions in each state must continue to be strengthened through several channels, including competitive elections, the rule of law, official accountability, the separation of powers, citizens' participation, extensive minority rights, and the combating of official corruption, nepotism, clientelism, and organized criminality. While the EU has become a less magnetic force, democratic consolidation under the rule of law is beneficial for each country regardless of its eventual institutional destination.
- **Common market:** To increase their attractiveness for investors, the small economies of the Western Balkans need to deepen their coordination by creating a genuine common market. A combined regional effort can focus on several domains, including energy, transport, environment, and trade. Such an initiative would also give fresh impetus to preparations for EU membership. It would create a larger market of almost twenty million people, where the free movement of goods, services, capital, and labor could bring nearer-term benefits instead of simply waiting for EU accession.
- **Business growth:** Greater emphasis must be placed on developing an inter-connected class of entrepreneurs that will help moderate the impulses of local nationalism. The initiative can be promoted through business loans, cross border commerce, and joint corporations in specific sectors between neighboring states.
- **Energy security:** The development of a common regional approach toward fossil fuels and renewable energy will help attract investors, connect Balkan and EU energy networks, promote the diversity of supplies, and generate more sustainable economic growth. Such a strategy will also undercut attempts at energy monopolization pursued by Russia's government throughout Southeast Europe.
- **NGO networking:** Non-governmental organizations (NGOs) perform three important tasks that can be expanded. First, they mobilize citizens in a plethora of activities that empower their lives and improve their well-being. Second, NGOs pursue high standards of government transparency and effectiveness by holding politicians accountable to the electorate. And third, they develop parallel networks for inter-state cooperation in various domains, from human rights and consumer protection to environmental activism.
- **Integrating Kosovo:** The Belgrade-Prishtina relationship remains one of the keys to stability in the region, and northern Kosovo is an enduring flashpoint. Both Brussels and Washington must focus on ensuring Kosovo's territorial integrity, as a divided Kosovo will remain a permanent source of dispute. The EU-sponsored talks can become a mechanism and a catalyst for integrating the northern municipalities in the country's institutions. They must focus on promoting the rule of law in the northern municipalities and holding legitimate local elections.
- **Expanding Kosovo's international recognition:** This approach must concentrate on the five EU

non-recognizers (Greece, Spain, Romania, Slovakia, and Cyprus). Otherwise, these states could block several outcomes of the Serb-Kosovor dialogue by disabling the EU from acting in unison. A more concerted EU position will have a positive impact on Kosovo's domestic reform process and Prishtina's steps toward international integration.

- **Transitioning Kosovo from supervision to accession:** Although formal international supervision over Kosovo was terminated in September 2012, the dependency relationship with the United States and EU may continue if Prishtina does not achieve a clear path toward both EU and NATO membership. Dependence on outside actors undermines domestic responsibility for policy implementation and limits political transparency, as the government feels more accountable to foreign powers than its own citizens. It can also buttress charges that the EU does not perceive Kosovo as a candidate for integration and thereby engenders euroskeptic inclinations.
- **Limiting Bosnia's entity vetoes:** In building a more effective and functional Bosnian state, a precise list should be enumerated where entity vetoes can be applied vis-à-vis the state government. For instance, vetoes can be relevant in the event of war, states of emergency, or other forms of national danger, and must not be exploited to obstruct the functioning of central or entity administrations.
- **Supporting Bosnia's civic option:** Western powers must support the civic option in Bosnian politics, as the divided state based around nationalist parties and ethnic quotas does not foster patriotism, political competition, or individual rights. The alternative to a civic state that can wean itself from foreign dependence is partition into ethno-national units, a process that can unleash armed conflicts and instigate regional instability.
- **Clarifying Bosnia's EU integration:** The EU accession process needs greater clarity, momentum, and commitment. The EU Delegation offices in Sarajevo must involve citizens in the EU project and enable them to pressure their leaders to implement necessary reforms. This requires a more extensive outreach program with the Bosnian public and mass media to inform citizens about the Union and encourage them to canvass for Bosnia's EU entry.
- **Maintaining an international role in Bosnia:** A formula needs to be devised whereby either the Office of the High Representative (OHR) or the EU Special Representative (EUSR) retains the powers necessary to forestall the weakening of state institutions and the secession of RS, while invigorating the reforms necessary for EU accession. Removing the OHR without an effective EU replacement can contribute to state fracture.
- **Promoting regional dialogue:** Bosnia-Herzegovina needs to be involved in a trilateral dialogue with Serbia and Croatia to supplement the bilateral dialogue between Zagreb and Belgrade. This could be modeled on the Visegrad initiative in Central Europe and include an extensive agenda of consultation and mutual support.

- **Mediating Macedonia's name dispute:** The dispute between Athens and Skopje over Macedonia's name remains deadlocked. An interminable delay in resolving the dispute can raise nationalist fervor in both countries and destabilize the Macedonian state. International actors need to influence both sides involved in the controversy by offering clear political incentives and underscoring the negative consequences of an indefinite impasse.
- **Dampening Macedonia's polarizing nationalism:** Closer attention must be paid to the simmering tensions between Slavic and Albanian Macedonians, as these can have grave consequences for the survival of the state. The focus should be on preventing any rollback of the Ohrid Framework Agreement, reducing inter-ethnic tensions, and developing new channels of political communication and social coexistence between Macedonian and Albanian communities.