



KOSOVO'S STATUS AND ITS REGIONAL IMPLICATIONS

A POLICY PAPER

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INTRODUCTION

Kosovo is a place where people and communities of different ethnicity, culture and religion meet, cooperate and clash. Since they make up 82 percent of the total population (according to other figures, as much as 90 percent), Albanians represent the major ethnic community. However, in the broader context of Serbia, the Albanians are 17.2 percent of the population, and therefore constitute a “major minority” group. This makes the concept of majority-minority a relative one where Serbian-Albanian relations are concerned.

The proclamation of Kosovo’s independence on February 17th, 2008 has been perceived by the Albanian population as the closing of a chapter of the pan-Albanian national question, an issue that has preoccupied a number of different policy centres during much of the last two decades, and particularly against the background of the process of dissolution of Yugoslavia.

Nonetheless, taking into consideration the distinct perception of the status of Kosovo held by Serbia and Serbian political elites, it remains to be seen whether this event will contribute to the stabilization of the region, or whether it will be perceived, particularly in the broader South Eastern European-Slavic world (in part as a consequence of the dramatic events in Georgia in August 2008) as a turning point and a precedent that paves the way for a new escalation of tensions including the re-drawing of maps and recasting of ethno-cultural relations.

I THE HISTORICAL AND POLITICAL BACKGROUND OF THE KOSOVO STATUS ISSUE

I.1 Summarizing recent events affecting Kosovo's status

Serbian-Albanian relations have been marked by clashes, which could be described as ethnic conflict. This conflict is pertinent to the issue of control over the territory of Kosovo, and the status of its Albanians residents.

To date, order in Kosovo has been based on fear, or rather a balance of two kinds of fear – the fear of ethnic violence and the fear of state sanctions. Serbian-Albanian relations in Kosovo were established on the basis of the supremacy model, and both communities have striven to institutionalise their supremacy.

NATO strikes against Yugoslavia, including military intervention in the Kosovo conflict of 1999, were explained by concern for the preservation of the principles of human and minority rights. Intervention was justified on the basis of the assertion that the international community has a right to act in order to keep and maintain the peace. It was the first military intervention by NATO in its history in Europe, and the first and until now the only military intervention which involved all NATO member countries. The military intervention (or war) was, by its very nature, a cumulative expression of unsuccessful policies – both the policy of the Milošević regime and the attempt by the international community to confront this policy using political means.

The local parties involved in the conflict saw and accepted the international community's reaction to the collapse of Yugoslavia and the Kosovo crisis in different ways. The Serbian side took a stand opposed to that of the NATO countries, whereas the Albanian side opted for alliance with the USA and NATO.

Hence, one of the major challenges for the international community in dealing with the Kosovo crisis today is how to establish a new type of relationship in which the international community would not be perceived as an “ally” of either party, but rather “a third party” in the agreement. Meanwhile, it should be taken into account that the position of the Serbian public towards NATO is burdened by the legacy of NATO's aggression during the war, and the frustration caused by military defeat. This should be remedied by applying appropriate measures to promote reconciliation and more intensive cooperation between Serbia and NATO.

The status issue is a key to the Kosovo crisis and its resolution is an important element of peace stabilisation. The State – Building Process is a part of peace stabilisation, but it does not necessarily

need to be so. In the case of Kosovo, this was not the proclaimed goal of the NATO intervention against Serbia. However the presence of the international peace keeping mission (the UN Mission to Kosovo-UNMIK) *de facto* separated Kosovo from Serbia. Since the beginning of Michael Steiner's term of office as head of UNMIK, the Mission was officially working on the basis of his mantra "standards before the status," and exclusively oriented towards building Kosovo as an independent and autonomous country, or the "separation of Kosovo from Serbia," as the Serbs and Serbia see it.

The decision adopted by the United Nations Security Council (UN SC) on October 24, 2005 to initiate the "Kosovo status process" marked the beginning of a new phase in the Balkans.

The process on the basis of which the future status of Kosovo was to be defined included two components:

- a) *Talks about future status*, which were held in Vienna and conducted by Martti Ahtisaari who established an office in Vienna (UNOSEK) and already in November 2005 began consultations with the parties on the context and content of the status talks.
- b) A simultaneous *series of diplomatic, political and propaganda activities* undertaken by Belgrade, Priština, UNMIK, the European Union (EU), the U.S., Russia, the Contact Group for the Balkans, and the UN SC. These activities were aimed at drawing up a new UN SC resolution, in order to define the future status of Kosovo and give the EU and Kosovo's institutions a mandate to enable implementation of the status.

Ahtisaari's *Comprehensive Proposal* was not the end of this phase of the process. A "mini-war of resolutions" between the U.S. and EU on one hand, and Russia on the other, quickly escalated. A Russian veto against the American-European proposal became a possibility. Therefore, the EU and U.S. tried to remove the risk of a Russian veto by accepting the Russian proposal for a UN SC Mission with the hope that this would mollify Russia.⁷

1.2 Kosovo and the EU missions – the most recent developments

As noted above, the UNOSEK process started in late 2005. The launching of direct talks was slowed down by the demise of Ibrahim Rugova, President of Kosovo, on 21 January 2006, but the first meetings were held in February 2006 in Vienna. Meanwhile, beginning in 2000 in Zagreb, the EU launched a Stabilisation and Association Process for the Western Balkans. In Thessaloniki in 2003 a clear prospect for eventual association with the EU was put forward for all the Yugoslav successor states and Albania. Since then, the EU has provided financial and political assistance to the region.

On the basis of this road map, the EU External Relations and General Affairs Council in its meeting of 7 November 2005¹ welcomed the UN SC intention to appoint Ahtisaari, and decided to appoint Stefan Lehne, a director of the Council Secretariat, as EU Envoy to the Kosovo status talks.

¹ General Affairs and External Relations, *2687th Council Meeting*, Brussels, 7 November 2005.

Lehne's task was to "support the UN Status Envoy in the implementation of his mandate," and "also contribute, under guidance of the Council and in close cooperation with the Commission, to preparations for the EU's future role in Kosovo."

These conclusions clearly resembled principles already articulated by the Contact Group and defined the EU position on several important points – that there should be no return to the pre-March 1999 situation, that there should be no partition of Kosovo, and that there should be no union of Kosovo with any other country (clearly aimed at the idea of unification with Albania) or part of any other country (aimed at the situation in Macedonia).

The last sentence is interesting inasmuch as it hints at, but does not define, what the status of Kosovo might be. It should enable progress towards association with the EU, which normally means towards membership, and membership is normally open only to states (the procedure for application foreseen in the Treaty of Lisbon refers only to states). However, as demonstrated by various successes achieved under the Stabilization Tracking Mechanism (STM), considerable progress can be made towards reaching EU standards and norms even without the status of a state. The reference to Serbia's progress towards the EU might refer to the same problem, or it might simply refer to the need for a resolution of the Kosovo status issue not to jeopardise Article 135 of the Stabilisation and Association Agreement (SAA) signed with Serbia on 29 April 2008. This Article stipulates that the SAA will not be applied in the territory of Kosovo currently under international administration, and that this non-application is without prejudice to the status of Kosovo and determination of its future.

In particular, Article 1 sets as an objective "to initiate planning, ... to ensure a smooth transition between selected tasks of UNMIK and a possible EU crisis management operation, in the field of rule of law and other areas that might be identified by the Council in the context of the future status process," and "to provide technical advice as necessary in order for the EU to contribute to support and maintain the dialogue with UNMIK as regards its plans for downsizing and transferral of competencies to local institutions." The second point appears viable both today and at the time of writing, but "transition between selected tasks of UNMIK" to a possible "EU crisis management operation" appears less feasible in light of the opposition from Belgrade and Moscow.

Two years later the EU decided to establish a Rule of Law mission in Kosovo, the EULEX Kosovo. But the Joint Action 2008/124/CFSP included numerous references to UNSCR 1244.

In effect, what happened here is that an international mission took over the government of a province and established itself as a nearly full-fledged sovereign authority.

All aspects of governance were provided, local capacity was created and competencies were transferred to the relevant institutions. Kosovo's institutions today confront what is a more or less normal set of problems, and they are addressing these problems in a more or less usual manner. Therefore, these parts of the international mandate can be considered as fulfilled.

1.3 Kosovo in the light of the Transcaucasian drama

The dramatic events that have occurred in Georgia since August 2008, however they are interpreted, have contributed to widening the gap between the accepted norms of international law and new international praxis, particularly while dealing with the two contrasting principles of state integrity and (ethno) national self-determination. In light of the circumstances that led to the bloody break-up of Yugoslavia, the Soviet collapse, and the velvet dissolution of Czechoslovakia in the 1990s, the basic principles of the Helsinki Charter of 1975 are increasingly being challenged.

Moreover, the argument that has been repeatedly raised in 2008, and according to which the unilateral declaration of independence of Kosovo (followed by the recognition of a certain number of states) cannot be considered a precedent, because of the peculiarity and uniqueness of the local context and background, sounds more like an academic discussion than an indisputable political fact. The disagreement in the international community about the degree to which the Kosovo case represents an exception or precedent has been highlighted by the Transcaucasian drama involving Georgia, South Ossetia and Abkhazia.

As a result, while the U.S. and most of the EU member states are inclined to accept Kosovo as an exception and to reject claims of separation in Transcaucasia, Putin has repeatedly emphasized that it will be practically impossible to deny others the right to follow the Kosovo example if they choose to do it. Moscow acted in accordance with this position to the detriment of Georgian integrity in August 2008, thereby shedding an entirely new light on the case of Serbia and Kosovo.

In a sense, we have de facto, within the framework of mutual relations between Belgrade and Priština, a situation increasingly close to the emerging Israeli-Palestinian context, with “two states in one territory.” The same dynamic seems to be unfolding in Georgia. As a result, Moscow might opt to play a new card in order to negotiate compensation arrangements with the U.S. and some of the EU member states after its recognition of the independence of South Ossetia and Abkhazia.

In particular, there is now more room for opening a process at the international level to determine the conditions under which new territories and peoples might claim independence. Since all relevant international agents will not necessarily accept this process, it is impossible to predict its consequences for the stability of international relations in the decades to come.

II THE REGIONAL IMPLICATIONS OF THE CHANGES IN THE KOSOVO'S STATUS

II.1 The new challenges of democratization in Kosovo

In coordination with Washington and its allies, the Kosovo's parliament declared independence on February 17th, 2008. The declaration states that: “This declaration reflects the will of our people and it is in full accordance with the recommendations of UN Special Envoy Martti Ahtisaari and his Comprehensive Proposal for the Kosovo Status Settlement.”

Kosovo is described as “a democratic, secular and multi-ethnic republic” and the Parliament of Kosovo is duty bound to adopt the Constitution of Kosovo and to invite “an international civilian presence to supervise our implementation of the Ahtisaari Plan, and a European Union – led rule of law mission”. Also, NATO is invited “to retain the leadership of the international military presence in Kosovo.”

In fact, new institutional and political realities did not enhance stability in Kosovo itself, nor in the Western Balkans. For the time being, it is difficult to predict how long this situation will last. It is clear, however, that Kosovo's institutions have entered onto a long-term journey along which several initiatives will have to be pursued simultaneously, as follows:

Firstly, strengthening ties with Russia and the EU, in an attempt for Kosovo to become a part of as many international organisations, alliances and agreements as possible, as well as to win over as many countries as possible for bilateral recognition. In this way the “new reality” could become strong enough to put pressure on Russia and Serbia to recognise Kosovo's independence. Kosovo's strategic objective is to join the EU and NATO as a close ally of the U.S.

Secondly, improving the operating efficiency of the new national institutions and establishing control over the entire territory of Kosovo. Hence several days after the declaration of independence, the Draft Constitution of the Republic of Kosovo was unveiled and the Constitution adopted in April 2008.

The Constitution defines Kosovo as an independent country, which recognises democratic principles and enforces the Comprehensive Proposal for the Kosovo Status Settlement, which was formulated under the mediation of Martti Ahtisaari. It envisages controlled sovereignty in order to enter into international alliances, and calls for NATO to remain in Kosovo.

The Constitution thereby creates a basis for the removal of KFOR. Still, without an agreement in the UN SC, this event is likely to open a new level of crisis, increasing disagreement about NATO's presence – which will bring about new political discussions within the international community, in the UN SC in particular, and will represent a new security risk for Kosovo itself. For the time being, Serbia and Serbs in Kosovo do not accept NATO. Hence the question becomes which military forces will be responsible for protecting Serbian enclaves, since this protection is essential. Gračanica, where a Swedish contingent is deployed, presents a particular problem, as Sweden is not a member of NATO. This makes the issue of the Serbian community's safety more acute. The solution will depend importantly on the stance of Belgrade and Moscow, but above all upon whether the U.S., EU and NATO will seek a timely solution to this problem.

The Constitution offers special guarantees to the Serb population through a long list of rights and freedoms, including religious autonomy and the right of representation in local and central governments, including 20 seats in the Parliament and two ministerial positions in the Government. The establishment of Serbian municipalities is not guaranteed by the Constitution, nor is the right to maintain “direct links” with Serbia in the areas of health, education and culture, even though such links are envisaged in Ahtisaari's proposal. Kosovo and American officials in Kosovo claim that this problem can be solved as the final provisions of the Constitution determine that in case of discrepancy between the Constitution and Ahtisaari's plan, the International Civilian Office (ICO) can make a decision. Thereby, some leeway for the EU to position itself as an arbitrator has been created in the event of a request from the Serbian community or Belgrade for new municipalities to which the Albanian object. Furthermore, some issues that are not envisaged under Ahtisaari's plan and are not regulated under the Constitution will be regulated by law (e.g. protection zones around religious buildings and cultural monuments).

Thirdly, continuing coordination of moves between Priština, Washington and Brussels. The majority of Kosovo Albanians are satisfied with Kosovo's declaration of independence, but this does not mean that all of them accept EULEX Kosovo.

Fourthly, gradual inclusion of the Serbian community into Kosovo's institutions and the placement of Serb inhabited territories under the control of Kosovo's authorities.

In doing so, the Kosovo authorities, the EU and the U.S. are counting on the continuation of current Serbian policies. In other words, they are relying on the fact that the Serbian community is unable to establish efficient “parallel institutions,” and that Serbia is unable to finance the needs of the Serbian community in Kosovo in the long-term. Meanwhile, more extreme Albanians are putting pressure on NATO, international representatives and the Kosovo government to stop “Serbian provocations” announcing that, if it should turn out that Serbian demands are creating excessive complications, the Albanian National Army (ANA) might take guerrilla actions to liberate the northern part of Kosovo, the Preševo valley, and Macedonia.

II.2 The Serbs and Serbia's Perspective on Kosovo's Status

Kosovo is an important question in the Serbian political agenda, because, among other things, it concerns the territorial integrity of the modern Serbian state, and because it concerns the Serbian nation's essential identity. In addition, Kosovo represents a trauma for Serbian nationalism, a blot on Serbian society due to the violations of human rights committed there, and especially the crimes committed against Albanians. The Serbian government faces the difficult task of finding ways and means to make Kosovo a motive for changes in politics and in general political awareness and culture, rather than a reason for frustration.

The question of the status of Kosovo appears in the Serbian public sphere sporadically and incidentally. That is why even some of the most important steps taken by post-Milošević governments in Belgrade have had a limited impact on public opinion.

During the process of determining the future status of Kosovo, it became clear that the approach of the Serbian authorities was burdened by the following factors:

- *The negative appraisal of UNMIK's performance and the truly difficult situation in Kosovo.* The widespread practice of social and economic discrimination against Serbs in Kosovo reinforces this appraisal. Thus, while under international jurisdiction, a large number of Serbs have been compelled to leave their positions in public enterprises (eight thousand workers had to leave public enterprises in the power supply sector alone); around 300,000 property units (houses, apartments, offices, land, etc.) owned by Serbs were usurped.
- *The heavy burden inherited from Milošević's regime,* which is reflected in the following: the poor international public image of Serbs and Serbia, including strong anti-Serb stereotypes especially rooted in some EU countries and the U.S.; the fact that the majority of the current political leaders in Serbia sustain Milošević's understanding of politics according to which anything goes in the effort to cling to and bolster power; strong ethno-nationalism and traditionalism; and the strong presence of the mythological mindset, particularly noticeable in Serbian narrative art where Kosovo is "the cradle of Serbian religion, nation and state." According to such understandings Kosovo is not just a territory - it represents something far more considerable.
- *The Serbian belief that Albanians from Kosovo are a national minority that originally came from Albania:* and therefore do not have the right to self-determination, nor to form a "second Albanian state." Following this rationale, official Belgrade refers to the recommendations of the Badinter Commission for Former Yugoslavia which excluded the right of Kosovo to become an independent state. Legal grounds for such a recommendation have been identified in the Helsinki Final Act, which guarantees the sovereignty, territorial integrity and inviolability of Serbia's borders. However, because this document guarantees the right of self-determination and the possibility of redrawing borders by peaceful agreement, it also lays a foundation for a potential division of territory.

During the process of defining the future status of Kosovo, Belgrade promoted the idea of “the highest possible autonomy for Kosovo within Serbia.” Although during the future status process Belgrade’s negotiating team attempted to speak in unison, the power of its voice depended on how well the ruling coalition held together.

Since 17 February 2008, Serbia has found itself at the beginning of a new phase of the Kosovo crises potentially including a “Taiwan-isation” of the Kosovo question. The Serbian Government has defined its policies in a decision on the annulment of illegitimate acts of the provisional self-government authorities in Kosovo and Metohija on their declaration of unilateral independence.

Since then, Belgrade’s policies have included several dimensions:

First, blocking and complicating the international recognition of Kosovo and its integration into international organizations, particularly the OSCE, European Council and the UN. With this aim in mind, on 18 February 2008, one day after the declaration of independence, the National Assembly of Serbia adopted a declaration proclaiming the annulment of the declaration of unilateral independence, as well as all other acts that were the result of this declaration. Many initiatives have been undertaken on the basis of this act, both in foreign and domestic politics.

In foreign policy in particular, the independence of Kosovo has been rejected in numerous regional and international initiatives and projects, though representation is accepted if undertaken by UNMIK. At the moment, communication with the EU has been reduced, and EULEX and other EU representatives in Kosovo are being boycotted. This slows down negotiations between Serbia and the EU regarding Serbia’s EU integration.

There is no doubt that there are many among the Serbian authorities, and a part of public opinion, that oppose Serbia’s EU integration, but these forces have scant prospect of gaining significant leverage over the supporters of Serbia’s EU integration.

In attempting to dispute international acceptance of Kosovo's independence, Serbia is relying on Russia, and is trying to strengthen bilateral relations with other countries that support Serbia's position on Kosovo independence.

A series of activities conducted by Serbia after the Kosovo declaration of independence have created the impression that Serbia has some advantage over the sponsors of Kosovo’s unilaterally declared independence. This impression was strengthened by the diplomatic blockade of the question of status in the UN SC, which was coordinated with Moscow.

Secondly, in Kosovo itself, in accordance with the **Action Plan** prepared by the Serbian Government, Belgrade has instigated a complete withdrawal of Serbs from Kosovo and the international institutions in Kosovo, with the intent to legalize and institutionalise Kosovo’s ethnic divide.

This policy relies on: (1) the existing ethnic divide and inter-ethnic friction in Kosovo; (2) the way of life established in Serbian enclaves and the divided town of Mitrovica, which has already been in place for eight years; (3) the Kosovo Albanians' experience of a parallel life with Serbs, that has deep historical roots, and was partially institutionalised by the establishment of an Albanian "Parallel Country" from 1989 to 1999; (4) the lack of strategy for the integration of the Serbs in Kosovo's society and institutions on the part of UNMIK and the Kosovo institutions.

The following problems make it more difficult to achieve this idea:

- Lack of political unity between the most influential political parties and leaders, as well as their mutual mistrust and chronic fighting for predominance. Each of the fractions interprets Serbian state policy on Kosovo in its own way, which deepens the confusion in public opinion and complicates the situation within the Serbian community.
- The moves being made are marked by partiality and insufficient coordination. An example is the aggression and violence present in the protests and the behaviour of the leaders in the north of Kosovo, which frighten Serbs that live south of the river Ibar. Notable is a strong belief by the majority of Serbs south of the river that in the long term the Serbian Government will not be able to help them. This is why the majority of Serbs from this part of Kosovo are concerned that they will be left to their own devices when they leave their jobs in international and Kosovo institutions. They are of the opinion that in the southern part of Kosovo Belgrade should employ milder tactics than in the north.
- Serbian authorities have not demonstrated inventiveness in creating a formula or tactic that would enable them to turn the newly created stalemate to their advantage. It is as if the Serbian political leaders are expending more energy in order to avoid losing voter support than to keep Kosovo within Serbia. The conclusion could be drawn that the unilateral declaration of independence by Kosovo has further strained relations between political parties and the leadership, and has contributed to the additional political destabilization of Serbia. Serbia's security may also be jeopardized because Belgrade's options to implement effective long-term counter measures are limited.
- The main reasons for the limitations upon Serbia's possible actions are:
 - The weakness of government institutions, which led to extraordinary parliamentary elections in May 2008.
 - Lack of political unity within the ruling coalition. The Government of the Republic of Serbia has from the outset been faced with a high degree of mutual mistrust between certain coalition partners, in particular the Democratic Party (DS) and Democratic Party of Serbia (DSS).
 - The fear of Serbia's citizens of a possible ruling coalition of the DSS, New Serbia (NS), the Serbian Radical Party (SRS), and the Socialist Party of Serbia (SPS) which would distance Serbia from the EU, and possibly push Serbia into self-isolation or limited armed conflicts with NATO.

- The risk of Albanian violence towards Serbs living in Kosovo, in response to strong reactions from Belgrade (for example, reduced electricity supply or reduced trade in foodstuffs that Kosovo mainly imports from Serbia).
- A high risk that organized crime or terrorism could take root in the territory of central Serbia should Serbia isolate Kosovo in the long term.
- Serbia's considerable dependence on the EU.

An additional problem is that Serbian leaders, both “hard” and “soft,” do not enjoy the support and trust of the citizens. They act as the extended arm of Belgrade, but it is very difficult to work out what the policies of certain centres of power in Belgrade are. Serbs from Kosovo have become a pure expression of policies made in Belgrade and their close connection with the authorities make them dependent on the Serbian state economy and budget, which in the meantime have been totally ruined. As a result the Serbs of Kosovo have an underdeveloped civil society and an extremely low democratic potential. That is why the attempts of some Serbian leaders from Kosovo to create a higher degree of freedom in cooperation with UNMIK and the Albanian community were met with a lack of understanding and rejection by Belgrade, but also insufficient support by the international community. For that reason, the development of independent civil and minority institutions among Serbs is one of the most efficient ways to free them from the shackles of the Milošević heritage and from dependence on the government and government assistance. Viewed from this perspective, Serbs and other non-Albanians are faced with a difficult period of integration into Kosovo society.

The long term isolation of Serbian leaders in Kosovo and the refusal to cooperate with Kosovo institutions, including their “boycott” of UNMIK, are factors that have visibly influenced the political views of the Serbian politicians in Serbia. They do not trust or have any esteem for UNMIK and KFOR representatives, who are considered by many as “occupiers,” “promoters of fascism,” “corrupt bureaucrats,” etc. In any case, the Serbian community has a lot to lose in view of the fact that it has not been capable of maintaining normal communication with representatives of the international administration.

II.3 Macedonia: a crisis no-one wants to notice

Seven years after Macedonia began its successful recovery from the 2001 crisis which threatened to lock its majority Macedonian and minority Albanian ethnic groups into a bitter inter-ethnic conflict, and just three years after it earned the status of an EU candidate state, Macedonia seems to be in trouble again. After the parliamentary elections of the summer of 2006 and the formation of the second post-conflict government, Macedonia has slithered into a political crisis that threatens not only its Euro-Atlantic integrations, but also its brittle ethnic balance.

The real political disaster came at the NATO summit in Bucharest at the beginning of April 2008 where, as a result of Greece's veto over the “name dispute,” Macedonia fell short of an invitation to join NATO. For NATO, this was an opportunity to close a large chunk of the Balkans crisis

management chapter by putting Macedonia, together with Albania and Croatia, behind the Alliance shield and containing the remaining instability. There is an even bigger strategic goal that failed to be accomplished in Bucharest: Macedonia, as the first state with a standing multi-ethnic peace agreement to enter NATO, was supposed to serve as a role model for Kosovo and Bosnia and Hercegovina, NATO's two other major problems in the region. This failure is undermining the ambition of the Alliance, and particularly the U.S., to declare political victory and transfer responsibility for the Balkans to the EU.

For some in Brussels, there are good reasons not to notice Macedonia's troubles. Macedonia earned the status of candidate for membership in the EU in the year of the Dutch and the French referendums. In this "Annus Horribilis" for European integration, Macedonia's candidate status was intended to showcase EU enlargement as an effective and necessary device to stabilize the brittle multi-ethnic democracies in the Balkans. Recognizing the current crisis in Macedonia will be equivalent to admitting the failure of European integration to deliver on that promise.

II.3.1 *The Achilles' heel of the Ohrid Agreement*

The functionality of the Ohrid Agreement is, to a large extent, the result of its loose structure. The provisions of the Agreement are particularly agile for inter-ethnic problem-solving because they do not confine the actors to detailed and strictly defined procedures on how to implement the items elaborated in the Agreement, including the key issues of decentralization of power, promotion of equitable representation of minorities in the public administration, and the use of languages and ethnic symbols. Even for the mechanisms critical for institutional protection of minority interests, such as the so-called *Badinter* "double majority" voting principle,² the Ohrid Agreement and the subsequent legislation do not provide precise instructions as to the mode and scope of their application. Indeed, the Ohrid Agreement – suitably titled a *Framework* – could be described as an "open ended" document that provided Macedonia's ethnic groups with a flexible set of principles (a framework) to negotiate solutions to their inter-ethnic problems. Negotiated solutions were converted to legislation, new institutions and best practices, which in turn, upgraded the original framework.

"This Framework," the very short introduction of the Agreement states, "will promote the peaceful and harmonious development of civil society while respecting the ethnic identity and the interests of all Macedonian citizens." But from there on, most things depend on the creativity, initiative and willpower of the political elites to determine how the Agreement should be developed and implemented in real life. If multiethnic and multicultural democracy is a "living creature" – a constant work in progress through which inter-group relations and positions are continually discussed and

²According to the Badinter majority principle, the passage of legislation where identity issues and minority interests are concerned requires a "qualified majority of two-thirds, within which there must be a majority of the votes of Representatives claiming to belong to the communities not in the majority in the population of Macedonia." See Article 5, item 1, of the Framework Agreement.

renegotiated, then the Ohrid model assumes the ethnic groups have sufficient political capacity to continually bargain away their problems to keep their common "creature" alive.

This is the Achilles' heel of the Framework model. Given the contradictions and tensions of multiethnic societies in transition, and the frequent opportunism of Balkan politics, a very limited number of problems get settled in due time, let alone "once and forever." In that vein, the experience of the six post-Ohrid years has indicated that although it is considerably smaller, more flexible and outwardly less complicated than the Dayton Accords, the Ohrid Agreement may paradoxically be more difficult to implement and sustain in its intended form. While most of the formal requirements stipulated in the accord are fulfilled, the reality of multiethnic Macedonia is incomplete and progressing in a direction that is far from being determined.

The source of the crisis stems from the fact that the current political context has basically undermined the Ohrid Framework Agreement – the foundation of Macedonia's inter-ethnic peace. The malfunction of the post-Ohrid concord has occurred on several levels. First, the core provisions of the Agreement have on several important occasions been manipulated by the majority, and in response by the minority, therefore invalidating their legitimacy and effectiveness for the long run. As consequence of this friction, three of the four pillars of the Ohrid agreement have been knocked off balance: (1) the government has persistently sought ways to circumvent the spirit of the Agreement's cornerstone Badinter double majority principle, which has limited its ability to marginalize the Albanian opposition party the Democratic Union for Integration (DUI); (2) the process of decentralization of power to units of local self-government, which are almost wholly controlled by the DUI in Albanian-dominated regions,³ has been deadlocked in critical areas, such as the appointment of local police chiefs, and often rolled back by the government in some instances to limit the authority of the DUI and the opposition. As an Albanian opposition party the DUI has used its control over local administration to resist the government, most notably by disregarding the Badinter principle in Albanian-dominated communities under its control; (3) amidst these scuffles, key legislation governing the sensitive issue of ethnic symbols has been refuted by the Constitutional Court, opening space for another schism between central and local authorities with an ethnic pretext. At the same time, the shape of the controversial law on the use of ethnic languages, the last remaining legislative commitment of the Ohrid Agreement, has been hotly disputed between the government and the opposition DUI.

II.3.2 Nationalist Ideology

With many core provisions hanging in the balance, it is hard to see how Macedonia's political crisis will be overcome even after the early 2008 elections without real pressure for a substantial review of the Ohrid Agreement. For if the Agreement in its present loose and flexible form failed to keep the peace under pressure from political and inter-ethnic quarrels, a step towards a more substantial and rigid agreement, similar to the now hardly functional Dayton model, might be called for from some quarters. Even the ominous issue of federalization has been mentioned as a remedy. If previous

³ The DUI currently controls 14 out of 16 mayors in Albanian-dominated municipalities.

experience is any measure, such massive reconfigurations of the ethnic balance usually do not transpire without substantial and violent escalations in this part of the world.

Secondly, not only the provisions of the Ohrid Accords, but also the atmosphere of accommodation and compromise – which is by design necessary to keep Macedonia's inter-ethnic peace operational – seem permanently gone, basically removing the possibility of finding alternative compromise solutions for the crisis without significant intervention of outside factors. This is the result of two basic factors: the ideology and the political interests of the key actors on the political scene. In spite of the country's political transformation after the end of the 2001 crisis, the central player in the current government coalition, the Macedonian nationalist Internal Macedonian Revolutionary Organization (VMRO) party, has preserved its nationalist ideology, capturing the prevailing sentiment in the majority Macedonian ethnic group, which maintains a strong but silent resentment against the Ohrid Agreement. In turn, the former Albanian guerrilla movement, represented by the Albanian party DUI, has used every opportunity to undermine the government.

The result has been a permanent state of deadlock of the Macedonian political system, particularly in its most sensitive aspect, namely inter-ethnic accommodation, despite the fact that after the 2008 elections, VMRO and DUI have established a government, which has succeeded in achieving an agreement on the demarcation of mutual borders (in cooperation with UNMIK and the Kosovo institutions), and therefore reducing public opposition in Macedonia to recognition of the independence of Kosovo.

II.3.3 Reluctant Guarantors

The third malfunction of the post-Ohrid Agreement situation in Macedonia is that the guarantors of the Ohrid Agreement, most notably the EU and the U.S., have been manifestly unable to assert themselves in the past several years, leaving matters to the locals to settle (or more precisely, to make worse). With Macedonia's rejection of membership in NATO (and, as a consequence, its ejection from the EU enlargement process due to the same Greek inspired blockage), in order for the Ohrid Agreement guarantors to contain the emerging crisis they will have to be engaged in some political and security heavy lifting. But the problem is that thus far, international efforts to contain the situation behind the curtains have repeatedly failed to prevent escalation. The internationals first found it hard to contain violence during the election in 2006, then failed to manage the rift between VMRO and DUI, then failed to compel the government to implement the May agreement, then failed to help avert armed clashes – the list goes on. The key issue here, as was anticipated by the Ohrid Agreement architects, is that the U.S. and the EU are the only forces that have the gravitas to suppress a spiralling political and inter-ethnic crisis in the country, something which the Macedonian political spectrum obviously cannot hope to achieve. But very much as in the case of the Kosovo status issue, the question is to what extent are the U.S. and the EU ready to commit politically (and otherwise, if need be) to impose the right solutions?

Thus far, the national cause of securing independence and international recognition of that independence for Kosovo has put pressure on all Albanian political actors in the region (and especially

potential troublemakers) to “behave.” During the past periods of high confrontation with the government, this argument convinced many of the radicals in DUI and beyond to restrain from violence, no matter what. Such restraints are now questionable, especially after serious complications with the possibility of partition of Kosovo’s north.

The psychological barrier towards using more intense violence has already been breached in Macedonia. If in the summer and the early to mid-fall of 2007, Albanian armed groups used the tactic of posturing and limited attacks, the massive police action that eliminated one of the more prominent groups in the village of Brodec in November has certainly upped the ante. Not only has this revived old resentments, but it will certainly raise the level at which such confrontations will be fought in the future – the next armed group will undoubtedly learn a lesson and use far more treacherous guerrilla tactics rather than posturing, something that the Macedonian security forces will find far harder to counter. A potential to add a lot of powder to these sparks also comes from Kosovo. Macedonia is by far the most vulnerable neighbour of Kosovo when it comes to potential spill over as a result of the highly problematic status process.

II.3.4 Other External Factors

The weakness of Macedonia is strengthened by the lack of a concerted EU and U.S. approach to the issue of the name of the Macedonian state. As is well known, the negotiations with Greece are still without results, therefore affecting EU perceptions concerning Macedonian public opinion on future inclusion into the European integration process. At the same time, this uncertainty is reinforcing concerns in the country that territorial integration might be called into question.

All in all, these issues give room to other external factors, adding fuel to the fire. Greece already seized the opportunity to force its will in the long-standing name dispute between the two countries, using its veto power in NATO (a device Greek diplomacy is historically quite fond of) to stop Macedonia’s integration.

The other factor is Russia. Encouraging all sorts of developments to complicate Western policies in regard to Kosovo's independence is one of the principal occupations of Russian diplomacy nowadays, and it is hard to interpret Putin’s proposals in any other way. Russia does not have direct means to shape events in Macedonia, but its force is tectonic with significant indirect leverage to promote trouble that will push things in the desired direction – either (a) by using its voice at the diplomatic table regarding Kosovo and Balkan issues, or (b) by encouraging Serbia to put additional pressure on Macedonia.

In the fragile period that lies ahead, some mechanisms must be put in place to prevent regional spillovers from impinging on Macedonia’s delicate dynamics, and to discourage external actors' intent to exploit them. Without this, the international community will never be able to contain the consequences of the Kosovo status resolution. Basically, all such external threats in this regard boil down to borders. Macedonia’s border with Kosovo is still not demarcated, and this will remain a major weakness to be exploited by troublemakers both external and internal. The Ahtisaari proposal offered

an optimum solution to this problem – an internationally supervised process with tight deadlines with Kosovar compliance tied to the independence process. With the Ahtisaari plan out of the picture, this provision needs to be sustained by the international community in whatever scheme eventually becomes the final status of Kosovo. Without NATO membership, this will be critical to contain Macedonia's internal problems.

II.3.5 Conclusion

As a result of the multiple crises in Macedonia that no one has wanted to notice until very recently, it is not Kosovo, but rather Macedonia, that is now in a position to assert negative influence upon developments in the region, including Kosovo. Macedonia is now entering a "Serb scenario": a series of elections in the next several years that will radicalise – and not only because of the way the elections will be carried out - ideological, political and ethnic differences among the key parties in the country, coupled by the tremendous loss of time necessary to accomplish the required reforms for Euro-Atlantic integration. In return, the "gravitational force" of the Ohrid multiethnic model and the unitary character of the state will diminish. Consequently, and keeping in mind that nationalists consider interethnic relations and problems from a geographical rather than political angle, an elaborate discussion over the federalization of the country and complicated internal ethnic borders issues will emerge. Coupled with a probable American withdrawal from global (and Balkan) affairs, the foreseeable events may push Macedonia, as well as all of its neighbours and some key "old Europe" countries into the historic context of the "Bucharest 1913" political and geostrategic deliberations and actions. This by itself will contribute to scenarios in which the Vardar River will assume an equal or greater potential to serve as a line of regional division than the Ibar River. Hence, the historic circle from Bucharest 1913 to Bucharest 2008, of the unsuccessful regional quest to identify and establish a sustainable multiethnic model which could bring peace among the Balkan states, will be closed.

This is the worst-case scenario that has all the potentials to become reality, unless urgent actions are undertaken by the EU and U.S.

II.4 The challenges for Bosnia and Hercegovina

The political system of Bosnia and Hercegovina (BiH), established in 1995 by the Dayton Peace Agreement, makes this country the most complicated state in Europe. The constituent elements of BiH are two Entities (the Serb Republic/*Republika Srpska*-RS and the Federation of Bosnia and Hercegovina) and three peoples – the Bosniaks (the most numerous), the Serbs and the Croats. The Serbs and the Croats have close social, economic and formal relations with Serbia and Croatia.

BiH went through a civil war between 1992 and 1995, which, after several failed peace plans, ended at the peace conference in Dayton, Ohio in the U.S. The country functions according to the Dayton Peace Agreement, which has 11 Annexes, Annex 4 being the BiH Constitution. During the 1995 peace negotiations, Bosniaks and Croats from BiH were placed together in the delegation of the Republic of BiH, which ceased to exist after the Agreement, while the Serbs from BiH were part of the

delegation of the Federal Republic of Yugoslavia (FRY). As neighbouring countries, Croatia and Serbia are guarantors of the Dayton Agreement, together with the countries that make up the so-called Contact Group: the U.S., Russia, United Kingdom, France and Germany. A special, *ad hoc* international organization was established for BiH – the Office of the High Representative (OHR), headed by the High Representative. The High Representative has powers entrusted by the Peace Implementation Council. Up to the present, there have been six High Representatives. Some of them have used their powers frequently. Even though the international community intended to make 2006 and 2007 the last years of its presence in BiH, in February 2008 the Peace Implementation Council extended its role for an indefinite period of time “until conditions are created for its withdrawal.”

The international community, through its institutions, plays a crucial role in the functioning of BiH. The OHR is the supreme interpreter and implementation factor of the Dayton Peace Agreement, while the EU military mission EUFOR maintains peace. There is also a NATO mission in charge of defence reform, intelligence cooperation and cooperation with the International Criminal Tribunal for Former Yugoslavia (ICTY). The European Union Police Mission (EUPM) monitors and guides the work of local police. That mission was taken over from the UN Mission. The OSCE has been in charge of elections and media democratisation and nowadays is involved in a monitoring mission.

The international community has invested significant financial means in the reconstruction and development of BiH; however, the economic situation remains difficult and few signs of progress are visible. There are no accurate and precise analyses regarding the effects of investments and the public is concerned that a huge amount of money has disappeared into corruption and crime channels. The process of return of refugees and displaced persons has essentially failed, in spite of the fact that almost all property has been returned to its pre-war owners. The privatisation process was unsuccessful and failed to spark the development of the economy. In fact the economy is developing very slowly, and in some cases not at all. Tycoon privatisation has been the norm, including high levels of nepotism, after which most of the privatised companies have ceased to function. There is no precise concept of economic policy. Economic policy is under the authority of the Entities and is harmonised in joint institutions. Due to the lack of a reliable legal framework and legal instability, there is insufficient foreign investment, which could invigorate development. Political elites, which profit from such a situation, share responsibility for the state of affairs. Human rights violations, lack of cooperation with the ICTY, and the lack of war crime cases that have been resolved represent serious obstacles for the integration process.

The negotiations on a Stabilization and Association Agreement with EU have been conducted successfully and BiH is scheduled to sign the agreement in May 2008. During the negotiations, the following obstacles for signing the agreement existed:

1. On the question of police reform, which has absorbed a lot of time, there was a significant disagreement between representatives of the BiH entities and the OHR. In spite of the fact that the major political parties reached an agreement on police reform in Mostar, the BiH Parliament failed to pass the agreement on several occasions. Key differences between the peoples of BiH were expressed during the police reform debate. Bosniaks saw the reform as

an opportunity to make yet another step towards the abolishment of the Entities, while the Serb Republic (*Republika Srpska*-RS) saw police reform as the ultimate defence for the very existence of the Entities. Representatives of the Croat community expressed more ambiguous views. The law on joint bodies that regulates the work of the police in BiH was passed on April 15, 2008 thus eliminating one of the key obstacles to the signing of the Agreement on Stabilization and Association.

2. There were considerable differences over reform of the Public Broadcasting system. This reform was not given the same amount of importance as police reform, but representatives of Croat people were very dissatisfied with it. In their view, the BiH Public Broadcasting system does not use and cherish the Croat language as it should.

BiH feels the need for a reconstruction of its political system based on a new Constitution. The process of constitutional change commenced three years ago, upon the initiative and with the assistance of the international community. A proposal for a new BiH Constitution was rejected by the Parliament in April 2006, after long and complicated negotiations between six parties (two representatives from each of BiH's three constituent peoples or nations). RS representatives supported the proposal, as it maintained BiH's entity structure, while Bosniak representatives, though sometimes divided among themselves, did not want to guarantee such structures. The same was true for the Croats, who feared that they would be brought down to the status of minority (rather than constituent people or nation) in a recast BiH federation.

The police structure in BiH is closely connected with future constitutional arrangements.

Organized crime and corruption represent the biggest challenges for BiH security. In most cases, public works and purchases cannot be completed without interference by the authorities, who are sometimes clearly linked to corrupt channels. Trade in narcotics, and weapons and human trafficking, was not reduced in BiH after the war. Another threat is potential terrorism based on Islamic fundamentalism, promoted by the mujahadeen who participated in the war and took up residence in the country subsequently. Such a situation creates good ground for tensions between peoples and makes it more difficult to establish a real national consensus.

Defence reform represents a more successful aspect of governance. It was initiated by a decision by the High Representative, and implemented with guidance from the international community. Defence reform has led to the establishment of a single defence system and single army, which means that the three different defence systems and three armies that emerged from the civil war have ceased to exist. Thanks to this reform, BiH has fulfilled the conditions to become a Partnership for Peace (PfP) member and to move further towards Euro-Atlantic integration. This result was achieved on the basis of a thorough inter-Entity and inter-national political and social consensus. Democratic institutions and procedures have been established in the sphere of security. Nonetheless, more time and social effort will be required to achieve all the security goals and standards necessary for NATO membership.

Inter-national relations represent a key for BiH's existence. The internal structure, established by the Dayton Peace Agreement, did not fully satisfy the interests of any of the communities, and there is constant pressure for changes. The RS seeks more autonomy, Bosniaks want state institutions to play a bigger role and calls for the abolishment of the entities, and Croats want their national identity profiled either by achieving the status of an autonomous national Entity or by being granted more influence in decision-making processes at the national level. Inter-national relations are affected by the fact that BiH borders on Serbia and Croatia, and Serbs and Croats live in BiH. According to the Dayton Peace Agreement, the Entities have limited options to develop international relations, but are permitted the "right to have special, parallel relations with neighbouring countries." The Federation of Bosnia and Hercegovina exercised this right and then abandoned it, while the RS has passed the agreement on three occasions. The last two times, the international community, through the OHR, confirmed these agreements.

The Declaration of Kosovo independence must be analysed in the light of inter-national relations in BiH and it has very different implications for BiH's different communities.

The RS strongly supports Serbia in its efforts to hold on to Kosovo, as it believes that this is in the highest national interests of the Serbs who follow national history and tradition, and support the achievement of Serbia's national goals. Given the fact that the BiH political system requires consensus on the part of all national representatives, it is unlikely to expect that the RS (and therefore also BiH) will pass any decision that will be against the policies of Serbia. Close cooperation between the institutions of the RS and Serbia is not the only reason this is so. Another is that those parties that would like to move in another direction are unlikely to win the elections. The current situation in the RS, where the Independent Social Democratic Party (*Stranka Nezavisnih Socijaldemokrata-SNSD*) holds more than half of the power, is to a large extent a consequence of the independence referendum idea that blossomed after Montenegro's declaration of independence. Kosovo independence created a win-win situation for the RS. If Kosovo is not to be a part of Serbia, rhetorical demands for the return of competencies transferred to the state level, either by the High Representative's decision or consensus, will increase. All political parties in the RS, and especially those in opposition, highlight the need for more autonomy. NGOs and different movements have openly requested the secession of the RS from BiH. Such ideas are broadly supported by the general public in the RS – in practice by the Serbs, who according to estimates make up more than 90 percent of the RS population.

The Serbs in the RS see the declaration of Kosovo independence as an injustice, according to the principle: "If they can do it, why can't we?" This was obvious during the protests that followed the declaration. The principle of double standards has been highlighted, with claims that, immediately after the war, BiH had very weak central powers in the areas of external affairs, communications and human rights, while the Entities – including the RS of course - had separate and independent defence, army, police, judiciary, economic, health and education structures. Also, the Inter Entity Boundary Line (IEBL) defined by the Dayton Peace Agreements clearly defined the RS territory, the area where the RS has legislative authority and responsibility. Until 1998, the RS also controlled external affairs, but this was cancelled by the international community's intervention. On the other side, from the very beginning Kosovo has had limited state prerogatives, and continues to lack some of them even now,

including foreign affairs, army, complete police structures, judiciary and economy. Apart from that, this unilaterally declared state de facto does not control its territory, which means that it does not have basic prerogatives of sovereignty: single authority over a defined territory and population.

The above mentioned arguments were brought up during the protests and rallies organized in the RS, with the participation of thousands of people who chanted slogans demanding RS independence and secession from BiH. Protests included demands for unity with Serbia, and displayed pictures of Russian President Vladimir Putin. In some places, protests ended in violence, with the participation of adolescents with nationalistic inclinations. The large number of signatures collected by NGOs in the RS represented an additional argument for an independence referendum. The international community declared such initiatives unrealistic, while the RS leadership remained silent, reluctant to declare itself in favour of independence because of strong pressure from the international community.

Because of the presence of the international community in BiH and the international pressure, the RS leadership has supported the maintenance of stability in BiH, but it has never stated openly that the idea of a referendum has been abandoned. The international institutions and the Federation of Bosnia and Hercegovina Entity claim that an RS independence referendum is impossible. The RS leadership claims that a referendum procedure is not mentioned in the BiH Constitution – Annex IX of the Dayton Peace Agreement, thus making it a technical possibility. Given the fact that the RS, in security and economic terms, is considered to have created a stable and successful environment, the Montenegro model of reaching independence has been pointed to as a relevant one. The Kosovo case and other examples of regional autonomy are pointed to as additional arguments. The most commonly cited case is that of Belgium, a country that was a co-founder of both NATO and the EU, which today functions in the context of two separate national environments, drifting further apart and therefore resembling BiH to a great extent.

The Croats in BiH have revived the memory of Herceg-Bosna, a statelet like-legal form that aspired to independence during the war in BiH and that is often referred to in politics and literature as a “phantom state.” Using views expressed during that period, well before Kosovo’s declaration of independence, requests to establish a third, Croatian Entity in BiH have been voiced and have received support from RS institutions.

Kosovo’s declaration of independence triggered stronger requests for greater independence, accenting ties with Croatia. Given the fact that, as with the Serbs in BiH and Serbia, Croat national goals are determined by Croatian state policy, Croats can accept Kosovo’s independence in order to invigorate their own efforts to gain greater autonomy and justify the fact that Croatia recognized Kosovo.

Bosniaks are in a rather delicate position concerning whether to accept or reject Kosovo independence. Islam, as a religion, has an important role in defining the national goals of Bosniaks. Since Kosovo’s religious composition is mostly Islamic, and many see Kosovo as the first Islamic country recognized by the U.S. and EU, Bosniaks have a strong motivation to opt for recognition. An additional reason lies in the fact that recognition could weaken Serbia’s role as a guarantor of the Dayton Peace Agreement, its moral and political support to the Bosnian Serbs, and growing Russian

influence in the region. Without Kosovo, even an insignificant number of Bosniaks as a part of the ethnic make up of Serbia could play a larger role. The Bosniaks have good relations with the U.S., Germany, and the EU, and these relations would become even better should BiH recognize Kosovo. However, Bosniak representatives are cautious about recognition for Kosovo because of the potential for such a step to encourage pressure for separatism inside the RS, and perhaps within the Croats community as well.

II.5 The Impact of Kosovo's status upon Montenegro

The international recognition of Kosovo came in the least desirable form for Montenegro. The preferred solution for Montenegro would have been based upon a common stand within the European Union. In the absence of such a unified position, Montenegro is carefully measuring the timing of its next move.

Kosovo has been always a sensitive issue in Montenegro. Although Montenegro did not participate in the infamous Kosovo battle, Serb nationalist mythology was implanted in Montenegro during the 19th century. Montenegro acquired part of Kosovo in the Balkan wars and its brutal role in Kosovo was severely criticized in the famous Carnegie Commission Report. After World War II Montenegro dutifully played its Yugoslav role and was rewarded by being over represented on the federal level. It left the Kosovo issue to Serbia and the Yugoslav Federation.

During the NATO intervention in 1999, Montenegro became a refuge for 100,000 Kosovo Albanians, which was very much appreciated by the Kosovo population. During the subsequent search for Kosovo's future status, Montenegro maintained neutrality, trying not to cross Belgrade but also to understand Kosovo Albanian motives, while simultaneously managing its own independence. In 2002, Montenegro had to contend with a new relationship with Serbia in the form of Union of Serbia and Montenegro, the still born child of the international community. By reaching out to the minorities within its borders, Montenegro achieved its independence peacefully and democratically on the basis of the May 2006 referendum.

The Albanian community overwhelmingly supported independence, while the majority of the Serbs opposed it. In the last two decades Montenegro redefined itself, as each of its ethnic groups began the search for a new identity. Montenegrins, once the most numerous ethnic group, went from 63 percent of the population to 48 percent, while those who identified themselves as Serbs rose from 9 percent to 32 percent, according to the censuses of 1991 and 2005. Attitudes toward Montenegrin ethnic and state identity and the national interests of Serbia and Kosovo were the defining issues. Recognition of an independent Kosovo will further influence this identity debate.

In 2006, as the outgoing Prime Minister, Milo Djukanović invited Kosovo Prime Minister Agim Çeku to Podgorica. He said that such a visit was "in the interest of good neighbourly relations" and would not affect the decision on the future status of Kosovo. Djukanović emphasized that any solution that Belgrade and Priština agreed to with the international community would be acceptable to

Montenegro. Kosovo and Serbia were Montenegro's neighbours, and "by talking to other neighbours, we do not harm Serbia." Belgrade and pro-Serbian Montenegrin parties reacted angrily to Čeku's visit.

At the beginning of 2008, Prime Minister Djukanovic returned to government.⁴ In his first parliamentary speech outlining the government's programme, he reiterated that "Montenegro has had a consistent policy toward Kosovo. Having such an approach, it will closely follow events taking into account first of all the need to strengthen the internal stability of Montenegro and its commitment to build the best possible relations with Serbia as well with Kosovo and all other neighbours and states in the region. In accordance with this approach when the time comes we will make a decision respecting first of all our national and state interests as well as lasting European and Euro Atlantic integration."

President Filip Vujanović stated in an interview that "taking an early position on Kosovo would not serve Montenegrin interests to preserve the harmony of ethnic relations that is fundamental for the internal stability of Montenegro." He said that Montenegro wanted close relations with Serbia because of clear historical relations and future friendly relations, as well as good relations with Priština so that Montenegrin citizens could enjoy open borders and full freedom of movement. Last but not least Montenegro has the goal of European integration, on the basis of which it projects and makes its most important state decisions. Montenegro will take a position on Kosovo recognition on the basis of these three dimensions and when the necessary conditions are present.⁵

It should be noted that the protests organized in Montenegro on the occasion of Kosovo's proclamation of independence were not numerous. Serb leaders organized a demonstration in front of the Montenegrin parliament but did not march to the American Embassy, which some observers interpreted as a demonstration of responsibility. Nevertheless, there is fear that instability in Serbia caused by the recognition of Kosovo could spill over into Montenegro, which increases Montenegro's sensitivity on the issue.

All in all, Montenegro will tread carefully in the coming months. Montenegro has two foreign policy goals: membership in EU and NATO. The recent presidential elections were carried out in a positive and inclusive manner by all political parties. The victory of the pro-governmental candidate Vujanović was a sign that the government has full support for further Euro-Atlantic integration, and his victory brought an additional mandate to make tough decisions. In the current situation, where according to the American Ambassador two-thirds of EU members and three-quarters of NATO members plus three of Serbia's neighbours have recognized Kosovo, the question that recognition poses for Montenegro will be not "if," but "when." Most likely, it would be accomplished under the pretext that the signed Stability and Association Agreement obliges Montenegro to coordinate its foreign and security policy with the EU.

⁴ Following the resignation of Prime Minister Željko Šturanović due to his poor health.

⁵ *Vujanović: ne žurimo da priznamo Kosovo*, IN: "Вечерње новости", 16.04.2008 as reported in: <http://www.predsjednik.cg.yu/?akcija=vijest&id=1894>.

II.6 The future of inter-Albanian relations

The isolation of the Albanian state under Enver Hoxha's authoritarian regime in communist times turned Priština into the main cultural, educational, scientific, and ethnic centre for all Albanians outside Albania's borders. With the establishment of an Albanian language university, Priština opened its doors to all students from the region, and a large number of them, after completing their studies, remained to work and live in Kosovo. Priština took on a role similar to that of Belgrade for the people from Montenegro, as an authoritative centre of Albanian culture and political life, offering great opportunities and challenges.

When communism collapsed, both in Albania and the Socialist Federal Republic of Yugoslavia (SFRY), these circumstances changed radically.

Albania entered a new phase. In its efforts to eradicate the communist legacy, Albania opened its borders and experienced a rising flow of Albanian incomers from Macedonia, Montenegro, and southern Serbia, while knotty developments increasingly affected the situation in Kosovo. Priština rapidly became a centre dominated by conflict, violence and insecurity. During the 1990s, and after the military confrontation in Kosovo, a large number of Albanians from Macedonia and Montenegro fled the country and never returned. Ten year after the end of the war, Priština is no longer a magnet for Albanians from Montenegro and Macedonia. Only students from the Preševo valley still turn to Priština for their education, but they are few in number.

In other words, the geopolitical context of inter-Albanian relations rests upon a different balance than in past decades. Perceptions of the pan-Albanian national question have assumed different forms since the days when familial, economic, and cultural ties intensified among the Albanians of Montenegro, Kosovo and Macedonia (as they lived together in Yugoslavia), while Tirana remained isolated.

This explains why the Albanians of Montenegro and Macedonia have welcomed the independence of Kosovo, even if they celebrated behind closed doors in order to avoid provocations or misunderstandings with the local Slav populations. At the same time, they looked at the event as a "rectification of an historical injustice" with reference to the post-World War II arrangements, when the territory inhabited by Albanians was divided among five countries. This idea, by the way, lies at the root of the Slavonic concern that the "Greater Albania project" is still alive.

Meanwhile, Tirana offered cautious support for Kosovo independence, following a policy of restraint and coordinating its positions with international agencies and particularly with the Contact Group.

Kosovo's independence is believed to be developing gradually, especially among Albanian political elites in the region, as a reformulated nationalism within a strictly confined political agenda of Europeanization. As a matter of fact, Tirana has established good neighbourly relations with Macedonia and Montenegro, thus contributing to the improvement of minority rights protection in these countries. Ultimately, in the new regional arrangement Albania has definitely taken away Priština's cultural and political supremacy, and become the magnet for all Albanians living outside Albania.

Kosovo's new political reality is building a path to meet the standards and challenges of governability, institutional viability and economic sustainability with the support of the international community, and particularly the U.S. and EU. Being very much aware of these vital challenges and the need to consolidate its independence internationally, it is quite obvious that the key objective of Kosovar (Kosovo) leadership will be to continue to ensure the goodwill of Western countries. On the one hand, as long as optimism prevails and there is light at the end of the tunnel for Kosovars finding their way into the mainstream of EU integration, political opinion-makers among Albanians in the region will have to minimize the inclination to develop ideas on the ethnic unification of territories. On the other hand, in view of NATO's invitation to membership, Albania should act even more responsibly, rigidly influenced by Euro-Atlantic values and mainstream developments. It is widely believed that integration will deepen the gap that Prime Minister Sali Berisha referred to in his January 2008 statement, whereby "the division [of the Albanian nation] one century ago created two very different Albanian realities – one in Tirana and one in Priština."

Indeed, differences within the Albanian communities across the Balkans became more pronounced during the last century, and the objective to unify the Albanian people territorially has never been a concrete political agenda.

Nonetheless, Albania's paternalistic political patterns have encouraged the inclination of the Albanian political elite to see itself internationally as a factor assisting communication and influencing understanding among Albanians in the region. Albania has been referred to, and will continue to be viewed by, the historically marginalized Albanian communities in the region as a source of ethnic national affiliation and pride.

It is largely expected that pan-Albanian relations will continue to strengthen in the cultural, academic, educational and linguistic fields through the institutionalisation of different networks based on public or private initiatives, and that this would be a positive development insofar as it will lead to a standardization of the cultural heritage and its closer attachment to the European heritage. This process may also gradually lead to a re-conceptualisation of the Albanian national question itself.

As regards the creation of a regional Albanian economic area, efforts have been undertaken during the last decade by economists and entrepreneurs from the region and wider Albanian Diaspora to develop a regional Albanian market zone. This has stimulated personal contacts in developing investing opportunities. Recently, the Tirana government has passed measures aimed at facilitating enhanced relations between Kosovo and Albania through huge investments in infrastructure. The Serbian government's threat to impose an economic blockade against Kosovo in the event of a unilateral declaration of independence led Tirana to strengthen the export of goods to Priština in hopes of reducing the impact of the blockade, which however has not been put into practice.

Meanwhile, the new transportation and communication route via the Durrës–Kukës–Priština highway is expected to be inaugurated by mid-2009. This highway will multiply the bilateral exchange of goods and people, which at present is rather limited due to the distances involved in transiting Macedonia. There is no doubt that these investments will encourage the process of integration in

economic, cultural, and spiritual terms. Trade and tourism will benefit particularly from the highway, and the flow of tourism from Priština to Tīrana will expand significantly.

Initiatives to institutionalise a process of social and cultural integration between the Albanians of the southern Balkans have until now had a predominantly emotional and incidental character, starting with Prime Minister Pandeli Majko who in August 1999 asked official Tīrana to unify the education systems of Albania and Kosovo and to intensify co-operation between the universities of Tīrana, Priština and Tetovo. Efforts to expand this initiative to ethnic Albanians in Montenegro have not been lacking. On the political front Albanian leaders have striven to build a joint forum of Albanian political parties in Albania, Kosovo, Macedonia and Montenegro, (in a meeting held in Tetovo in December 1999 between the three political leader Fatos Nano, Hashim Thaçi, and Macedonian Albanian Democratic Party leader Arben Xhaferi) that could produce a pan-national integration strategy. In Xhaferi's words this movement "was not in support of a Greater Albania but will serve the great European Albanians."

In the meantime, the Albanian political parties in the region will continue to strengthen their relations with a common goal to influence their respective electorates. In order to achieve this goal, media networking in Albania, Kosovo and Macedonia is already being used by Albanian politicians, especially from Macedonia and Kosovo, to influence their local electorates through messages transmitted from Albanian television.

The invitation to join NATO reinforced an already existing, and sometimes exaggerated, self-perception by prominent Albanian politicians of the leading role of official Tīrana in regional politics. During the time he was leading the Albanian delegation at the Bucharest Summit, Albanian President Bamir Topi stated that Albania might "serve as a mediator over the name issue between Skopje and Athens."

It is evident that there has not been any important political or social debate in mainstream Albanian society concerning forms of political unification for Albanian-inhabited territory.⁶ In Albania and in the regional countries where Albanians live, the prevailing political emphasis has been placed upon integration with the mainstream political, social and economic developments of the individual countries. Albanians are therefore more interested in developing cultural and economic ties with the other Albanian entities in the southern Balkans, while maintaining separate statehood. Reasonably enough successive Albanian governments have opted for a strategic partnership with Macedonia, as both countries aspire to NATO and EU membership.

⁶ Miranda Vickers, *Pan-Albanianism: Myth or Threat to Balkan Stability?*, in: "Transition on line", 1 April 2004.

III RECOMMENDATIONS: ARE THERE WAYS OUT OF THE CURRENT DEADLOCK ?

With regard to socio-political cohesion, economic capacity, and security concerns, Serbia, Bosnia and Hercegovina, Kosovo, Macedonia, and Albania all belong to the category of weak states.

Addressing the problems of corruption and clan predominance over public administration in order to make institutions more effective and encourage progress toward stabilization will require great efforts. All of the countries confront similar problems, though they also have their own peculiarities. Macedonia, in spite of being an EU candidate country, is still a deeply divided society, and the implementation of the Ohrid Agreement is suffering from a set of uncertainties and controversies. Serbia has a weak institutional and political system. Moreover, it asserts a claim to territorial sovereignty over Kosovo that is contested in the region, as well as by the U.S. and most of the EU member states. Some regional entities are attracted to independence, as in the case for the RS, while Kosovo has declared it in February 2008. The latter is in the process of developing its statehood, but for the time being, and together with Macedonia and Bosnia and Hercegovina, it is largely dependent on international aid. Presumably, this situation will persist for the foreseeable future. These are just a few of the elements that confirm the need of the states and entities of the Western Balkans for international support in order to strengthen statehood and avoid further risks of degeneration and dissolution.

The EU member states are deeply divided in their reaction to Kosovo's formal detachment from Serbia. This divide demonstrates the extent to which borders and national sovereignty remain dominant factors in the policy of the EU member states, thus offering good arguments to Balkan nationalists and new impetus to their set of values. The picture becomes even more complicated when it comes to the implications of the controversy over the name of the Macedonian state, and the constitutional arrangements of Bosnia and Hercegovina.

It should be conceded, however, that the *only realistic project* capable of gradually reducing tensions in the Balkans is based on the *prospect of inclusion* for all peoples and states of the region under a wider institutional umbrella based on political, market and cultural integration, the harmonization of legislation and rules, a common currency and a potential common foreign policy. This umbrella is the EU.

Moreover, experience shows that EU integration processes in various post-communist countries have been successful given two clearly defined circumstances: a realistic perspective of membership and EU conditionality. An unambiguous EU perspective should always be associated with strict conditionality and the performance-based development of contractual relations. Therefore, European

institutions and the EU member states should be aware both of regional complexity and the mutual influence exercised by EU “deepening” and the process of inclusion. In the Balkans, at the moment, the statehood of entities such as Serbia, Kosovo, BiH and Macedonia is simultaneously contested from within, by certain neighbours, and – paradoxically – by some EU member-states. This is because the latter mirror divergent visions of statehood, territory, sovereignty, and “Europeanness” both when dealing with the status of Kosovo and the potential strengthening of integration among EU member states. In other words, a consistent project of integration can crucially facilitate the consolidation of statehood in the entire Western Balkans, beginning by ensuring the effectiveness and functionality of local institutions.

In light of these considerations, **two main issues should be considered** during the months to come in order to give new impetus to a policy aiming to achieve a solution acceptable to the main players involved in the controversies of the Western Balkans, and to enhance regional stability.

The first issue is related to **statehood**, understood either as state sovereignty with effective institutions or in relation to territoriality and the geopolitical arrangement of the Western Balkans. The second issue concerns **regional cooperation** and the extent to which local political leaders recognize that such cooperation is a factor working for stabilisation and reconciliation, as well as a crucial prerequisite for EU integration. Although different in content, both these issues call attention to Serbia and Macedonia as key areas where the need for a systematic strategy is apparent.

III.1 Statehood, stability, and inclusiveness

Following Kosovo's unilateral declaration of independence, Serbia pursued defensive measures intended to block full international recognition. In time, the keys to this issue will be the OSCE, the European Council and the UN. It remains uncertain how long this Serbian policy can be sustained, since in many respects it is dependant on decisions made in Moscow. The costs associated with the policy are high, and it is likely to become unaffordable in the medium run, to the detriment of all parties concerned. In a long-term perspective, there is only a very small chance that Serbia will succeed in regaining control over Kosovo, and it is uncertain if it will be compensated for its loss.

Under these conditions, it is important that all subjects involved in the Kosovo status controversy – including international agencies – avoid violence and unilateral actions, while a serious discussion is initiated between the U.S., EU and Russia in order to jointly facilitate a Serbian-Albanian dialogue. This is a pre-condition for any further steps toward the stabilisation of the area.

Meanwhile, the authorities in Belgrade should be encouraged to act in the following areas:

- *First of all*, they need to begin drawing up an *Exit strategy or Plan B*, which could be mitigated by advances in the process of stabilization and EU integration. This Plan B should be a proactive policy which links “future status” with a European future for both Kosovo and Serbia. Strategically, this means that the Belgrade authorities should be expected to use the next five to eight years to strengthen the position of the Serbian community in Kosovo (and in

particular the municipal authorities in northern Kosovo), and to deal with property and economic issues by *supporting joint projects* between Kosovo and Serbia. At the same time, Belgrade should be encouraged to accept recognition of Kosovo's independence as one of the options, leaving verification for after Serbia's accession to the EU, as well as leaving the door open for the option of a joint and peaceful agreement on the adjustment of the border line once a new UN SC resolution is adopted and a new EU mandate defined. All of the activities and affairs mentioned above must be undertaken by the Government of the Republic of Serbia supported by the National Security Council. A Serbian National Council acting as a Serbian self-governmental body should be elected as soon as possible in cooperation with the Serbs in Kosovo as well as temporarily displaced persons who are now in central Serbia.

- *Secondly*, it will be necessary to encourage UNMIK to serve as a provisional channel of communication between Serbia and the Serbian community on one side, and Kosovo's institutions and EULEX- Kosovo on the other. This will enable an increase in standards, and relax the current confrontation over the unilateral declaration of independence. Simultaneously, the opportunity for bilateral Serbian-Albanian communications should be multiplied by taking advantage of regional organizations, and particularly the Central European Initiative (CEI), the Central European Free Trade Agreement (CEFTA), the AII, and the Regional Cooperation Council, which can be involved in a shared strategy by promoting – in the spirit described below – specific transnational projects through NGOs, universities, political parties and associations within which Serbian-Albanian cooperation is endorsed and assisted with the help of neighbouring countries such as Montenegro, Macedonia and Albania.
- *Thirdly*, a “**back channel**” for communication between Belgrade and Priština is needed. It should be informally established as a sort of civil diplomatic forum, set up by public figures acceptable to both sides, with a mandate that is approved by both Belgrade and Priština. It would be useful if the Contact Group and EU could support such a channel. In fact, the absence of such a link between the Serbs and Albanians, between Priština and Belgrade, will make it much more difficult to find solutions acceptable to both sides. The “back channel” could become instrumental in identifying proper ways to resolve concrete problems (such as passports, car licences, customs, etc.) by encouraging informal cooperation between the authorities of Priština and Belgrade.

However, in order to achieve these goals Belgrade will be expected to change its current “hard line” policies and try to represent itself as a potentially active partner in Kosovo crisis management. This approach is increasingly becoming a cornerstone of efforts aimed at heading off a situation where the division between Serbia and Kosovo contributes to further destabilization.

Meanwhile, the state-building process in *Kosovo* will face diverse challenges in regard to the effectiveness of public administration, implementation of economic reforms, and minority issues.

The main aim of the Kosovar-Albanians is to achieve *full ownership over functioning and effective institutions* as soon as possible, thus making the current “conditional sovereignty” a temporary state of affairs. Dependence does not encourage either a capacity for self-governance or the development of the country and its progress toward European integration, as the case of BiH has confirmed.

It is vital that the authorities in Priština act expeditiously to establish strong cooperation with the EULEX mission, in order to *reinforce the rule of law* in the country through the training and modernization of the police, customs, and justice. In particular, the government must be encouraged to take effective measures and pass structural reforms in order to fight against corruption, nepotism, and organized crime. In fact, it cannot be excluded that the Kosovo government might fall, similar to the experience of Albania, if there is not a successful effort to prevent the consolidation of trafficking, organized crime and corruption combined with an inherited political culture of clientelism and the clan mentality in the halls of government. That could lead to a worsening of relations between the administrations of Albania and Kosovo. This can be avoided by strengthening EU-Kosovo relations in order to upgrade Kosovo's system of government and encourage development. Carrying out these initiatives requires rapid implementation with visible results because, however paradoxical it may sound, the longer the EU mission remains in Kosovo, the longer it will take for Kosovo to meet the established standards for EU accession.

A *new economic dynamism* is also needed and this goal can be achieved by implementing the Ahtisaari package of reforms, and particularly point 8, in cooperation with the EU mission, the World Bank and the International Monetary Fund. The government of Kosovo is expected to pass the key reforms required for establishing a market economy, controlling the exploitation of the economic and natural resources of Kosovo, reinforcing the rule of law, building infrastructure, attracting foreign investments and presiding over a privatisation process. Other issues that must be addressed quickly are fiscal policy (as a lever for the development of infrastructures, culture, social policies, and the supply of drinking water), local devolution (implying the devolution of fiscal responsibility to the municipality level), and the creating of funds to repay debts inherited from the previous federal state.

In carrying out these tasks, and in light of the experience of BiH, it is important to prevent the International Civilian Representative (ICR) from becoming, over time, a sort of a colonial manager who reduces decision-making prerogative in Priština. On the contrary, the *ICR should concentrate on facilitating the integration of the Serbian minority*, particularly in the area of Mitrovica, within the institutions of Kosovo. Kosovo's political agents have accepted and committed to implement consistently the Ahtisaari plan and other crucial reforms. Accordingly, the process of integration of the ethnic minorities in Kosovo is going well, with the exception of the Serbian minority. Therefore, and within this framework, it is particularly important to persuade the Serbian minority that it will encounter neither discrimination nor unfair treatment in the new Kosovo. However, it will not be an easy task. The ICR is not welcome by the Serbian leadership in Kosovo. We therefore recommend that ICR officials – and NATO officials as well – work to persuade Serbian leaders in Kosovo that they are not an ally of either party, but rather an impartial “third party.” This can be accomplished by

empowering Serbian involvement in the development of the economy, infrastructure, education, training, and so on.

On the other hand, the partition of Kosovo should be rejected for several reasons. The north of Kosovo is a source of crucial water supply and Trepca is an important area of raw materials. For these reasons alone the Albanians of Kosovo cannot accept this option. Nor would a partition option solve the Serbian issue in its own terms, since a large part of the Serb population lives south of the Ibar River and an exchange of populations would only mirror the experience of ethnic cleansing, which has been repeatedly denounced by the International community as a gross violation of human rights.

Simultaneously, the ICR should reinforce the attitude of the Government of Kosovo and all other political agencies that are willing to implement the Ahtissari package of reforms. This means encouraging the devolution of authority to the municipality level, ensuring a high standard for minority rights, guaranteeing the protection of cultural, religious, and historical monuments, and developing a specific quota system in order to protect political representation in state institutions. This attitude is vital because within Kosovo Serbs live in two different regimes. In the north, where they live in a more compact area and rely more heavily upon Serbia, they live under the legal system of Serbia, and demonstrate old political habits. In the remaining territory of Kosovo, they are either dispersed as a small minority that is poorly protected from a legal and security standpoint, or concentrated within enclaves that are isolated from their surroundings and that are in terribly bad economic and social condition. It is important to stress that without the military presence of KFOR these “Serbian units” would not be in a position to survive. The ICR should invest more energy in connecting the security of the Serbian populations with their active engagement in local and Kosovo institutions as social and political players together with the Albanians.

It should be added, however, that the ethnic majority and the authorities of Kosovo have no influence on the authorities in Belgrade, who are still trying to manipulate the Serbian minority with the aim of destabilizing Kosovo. The 2008 electoral campaign included provocations, encouragements to civil disobedience, refusal of integration, confrontations with those who recognize the borders of Kosovo with Serbia, etc. It is difficult to look forward to a rapid integration of the Serbian minority in Kosovo under these conditions, but this is precisely the area where the ICR can play a crucial role as a mediator and an agent able to create and reinforce mutual trust between Albanians and Serbs.

If we broaden our attention to the regional context, a policy of reinforcing state building confronts a great challenge in *Albania* where politically controlled and clientelist structures, including law enforcement institutions, need to operate with greater efficiency. Poor public administration has weakened the authority of the state and its institutions. Addressing this situation will require considerable assistance, as well as performance-monitoring, especially in the areas of ***border control, law and judiciary enforcement against criminality and corruption, and the autonomy of judges***. “The Government’s agenda to fight organized crime and corruption has failed” according to a recent public declaration coming from a political analysts who is largely recognized as being close to Albanian Prime Minister Sali Berisha (who came in power in 2005 with an anti-corruption agenda). Recent developments and the *Gerdec* explosion tragedy outside Priština on March 2008, according to media

reports, indicate that little progress has been made in the effort to deprive organized crime of its powerful political backers.

Concerning **Macedonia**, strong international pressure on the Macedonian authorities for fair and democratic *institutional* relations between the future ruling coalition and the oppositions after the controversial elections held in June 2008 is of crucial importance. The compromise achieved in Ohrid clearly states that “there are ***no territorial solutions to ethnic problems.***” This principle should be defended both in regard to regional arrangements (particularly in respect to Kosovo and BiH), and in regard to Macedonian domestic policy, where the contrasting strategies of the Albanian parties could provoke a serious institutional crisis. Considering these dynamics, a “multilateralization” of the bilateral Greek-Macedonian negotiation over the “name dispute” is recommended. The bilateral negotiation can be carried forward for a long time with unpredictable consequences: therefore persuasive Euro-American pressure for a compromise in ***the process of negotiations between Macedonia and Greece*** should be coupled with Euro-American pressure on Greece to recognise its ethnic Macedonian minority in the north of the country. In addition, Macedonian-Kosovo relations require friendly bilateral political and security initiatives, including Macedonian recognition of Kosovo’s independence.

Concerning **Montenegro**, it is important to support its efforts to implement the reforms foreseen by the Stabilization and Association Agreement, in order to fast track its aspiration to become a candidate country of the EU.

With regards to **Bosnia and Hercegovina**, its priority goal should be a transfer of responsibility from the International Community – including the Office of the High Representative, the European Union Police Mission, NATO, EUFOR, OSCE, and other international organizations – to domestic (local) institutions, thereby moving the International Community away from its role as the key political player in BiH. Only when this goal has been achieved will it be possible successfully to pursue Euro-Atlantic and European integration as the country’s most important strategic foreign policy goals.

Moreover, considering the necessity of ***replacing the old Constitution*** (Annex Four of Dayton Peace Agreement), a new Constitutional reform should be based upon the mutual consent of the people of BiH, as well as by the institutions of the two Entities, three national communities, and individuals (through NGOs and other associations). The EU should encourage constitutional reform, with the aim of strengthening the rule of law, multiparty democracy, respect for human rights and a process of reconciliation. With this goal in mind, an effort should be made to convince public opinion that BiH is its own country (this is not yet uniformly assumed, particularly among the Serbs and the Croats). In other words, the Bosnian people as a whole must consciously absorb a sense of ownership of their institutions by recognizing themselves as citizens of Bosnia and Hercegovina. This is the only way to overcome the lack of will to pursue reform and the persistent effort by the parties to reinforce their power by favouring ethnic interests. The EU should ***support civic and European training programs*** for political parties, the media and NGOs, with the active involvement of the universities and the school system if they have a trans-ethnic/trans-Entity approach and include mobility within the country.

In the economic sphere, the conclusion of the process of privatisation is vital, as is accommodation to the industrial and market standards of the European Union based upon the rules set down in the Stabilization and Association Agreement, and improving regional cooperation including the CEFTA Agreement before all.

It is important to note that relations with neighbouring states are affected by the fact that they have related ethnic communities resident in BiH, and that these communities are represented in Bosnian institutions. This is critical to understanding the ambivalent Bosnian attitude towards the issue of the recognition of Kosovo, and why Kosovo's declaration of independence is a significant cause of internal instability in BiH. The first step to be taken in this regard is to encourage ***BiH authorities to continue the reform*** of the defence sector and the police by harmonising with the rules of the EU and neighbouring countries. Cooperation against all forms of organized crime (corruption, narco-trafficking, human trafficking, money laundering, arms smuggling, car stealing and all other types) is a key factor for strengthening shared regional interests.

III.2 Sharing sovereignty: regional cooperation in the context of EU integration

We cannot neglect the fact that the effectiveness of measures for reinforcing political and economic institutions in the states of the Western Balkans might be affected by the uncertainties stemming from contested statehood or contested sovereignty (from inside or from neighbours).

Therefore, it is time to raise the question *how the impact of a contradictory and contested statehood* in a number of Balkan countries *can be gradually mitigated* by strengthening inclusiveness as a factor of stability and a precondition for prosperity. The answer definitely lies in the prospect of EU inclusion, but also in how regional cooperation is developed in the context of EU integration.

A positive experience that might be taken into consideration in shaping regional security infrastructure, cooperation and confidence building might be the model of the Adriatic Charter countries (Albania, Macedonia and Croatia), conceived in order to enhance cooperation in view of NATO integration. Since 2003, when this initiative was launched in Tirana in the presence of Colin Powell, bilateral relations and trust building have followed an ascending trend with easily tracked positive results. Other regional partnership schemes oriented toward enhancing cooperation to bring together countries of the region (including Serbia and Kosovo) in a dialogue forwarding EU integration might also be drawn upon.

Following this example, models of best practices should be encouraged in regional multi-party political forums that could lead to regular contacts in institutionalised form. Such initiatives have been promoted by the youth political forum of the Socialist Movement for Integration. The need for such interactions is clear. For example, in the last three years the leaders of two right wing parties (the Democratic Party in Albania and the Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity) have met only once, during February 2008 in Tirana.

The European Commission might consider coordinating a trans-national institutional dialogue among political organizations, encouraging or even committing an existing regional organization, such

as the Regional Cooperation Council and the South East European Cooperation Process, to sponsor such a dialogue. Additionally, Italy, Austria and Greece can support this process by invigorating specific areas of dialogue within the Central European Initiative and the Adriatic-Ionian Initiative, for instance within the youth institutional dialogue or the cultural and party dialogue. This can become a way of institutionalising regional cooperation by establishing space for the development of synergies between the EU and existing regional organizations.

The European Commission should also consider the possibility of promoting *specific training programs and internships* devoted to young people from the entire region to be held *in Brussels*, within the different Directorates General and the European Parliament. The aim must be to make participants acquainted with EU approaches to problems and the management of shared policies. Similar programs might be offered to young local administrators, in order to prepare them for EU integration, and to invest in the creation of trained local staffs able to understand and properly react to EU policies when the Balkan countries become EU members. This strategy can be also applied in order to facilitate communication within the “back channel” between the Serbs and Albanians of Kosovo.

Regional policies might also promote *cross border cooperation* by supporting micro-regional cooperation activities in deeply divided areas, where the need for dialogue is crucial for reducing tensions, discovering common interests, and creating a sound basis for communication. Agrotourism, building cooperatives addressing social needs (of the handicapped, children, the elderly, women), and the development of local educational programs might be identified as priority areas.

This strategy can be successfully implemented in 4 specific triangles:

- a. Gnjilane (Kosovo) – Kumanovo (Macedonia) – Vranje (Serbia)
- b. Mitrovica (Kosovo) – Bijelo Polje (Montenegro) – Novi Pazar (Serbia/Sandzak)
- c. Dečani/Peja (Kosovo) – Rožaje (Montenegro) – Kelmendi/Tropojë (Albania)
- d. Prizren (Kosovo) – Tetovo (Macedonia) – Kukës (Albania)

Furthermore, *cooperation between universities* should be reinforced through joint educational programs and the enhanced regional mobility of lecturers and students (by promoting a sort of a regional Erasmus program). It is important to create conditions making it possible for Albanian professors to teach in Belgrade and for Serbian scholars to teach in Priština or Tirana, to cross Entity borders in BiH for teaching/scholarly needs, to facilitate Croatian scholars and students to teach and study for a period in Macedonia and vice-versa, to make it possible for Macedonians to go to BiH, Croatia, or Albania, etc. Therefore, an increasing number of *regional mobility scholarships* should be offered in addition to inclusion in the Erasmus program (which does more to facilitate East-West cooperation than regional mobility). Furthermore, Serbian-Albanian summer schools might be launched in Kosovska Mitrovica. Similar programs, transnationally organized, might be implemented in deeply divided societies by promoting cooperation between different universities (for example between Priština and Niš or Belgrade, or the two Universities in Mostar, etc.).

Multilateral joint research projects in the region, with the partnership of the EU member states, should also be encouraged through specific budgetary lines within existing EU programs. They

should be encouraged to promote conferences, workshops, and seminars giving specific priority to the involvement of scholars from deeply divided areas. In order to achieve these goals a specific EU regional strategy should be developed for local Interior Ministries and police forces, since it is important to foster the *liberalization of visa regimes* for certain categories (including students, professors and entrepreneurs), either within the region or in regard to the European Union.

The EU should also support transnational short term visits between schools in order to carry out joint projects as well as influence a *new policy in the school system*, by supporting the abolishment of the practice of state approved and selected textbooks. Once a government has set up an expert commission for school programs, that commission should restrict its job to the definition of the school programs, merely identifying the list of topics to be taught year by year, and leaving to the teachers the freedom to instruct, including the prerogative to select the textbooks from the market.

Albania and Kosovo have already intensified cooperation in all fields. Significant economic ties have been created, and mutual investment is underway. Both parties assert that this cooperation will benefit the entire region, because they have adopted the practice of openness towards all other regional countries, and actively promote more inclusive regional initiatives. It may be expected that this tendency will become an imperative, especially in issues related to regional security.

Cooperation in bordering areas started years ago under UNMIK's support and monitoring. However, it is equally important to encourage a regional network of politically independent think tank organizations to monitor security sector institutions and cooperation with the aim of producing reports capable of contributing to local and regional stability. The regional fight against illegal trafficking, smuggling, money laundering and organized crime should be strengthened, and this is vital far beyond the context of Albanian-Kosovo cooperation.

Therefore, Macedonia, Serbia, Montenegro and BiH should be actively involved in a *multilateral network encompassing law harmonisation*, policing, and efforts at cooperation in the high technology sector. Neighbouring countries such as Croatia, Italy, Slovenia, Austria and Greece should also be involved, especially in encouraging new commitments of regional organizations such as the Central European Initiative, AII, and the Black Sea Economic Cooperation.

In addition, there are indications that bilateral relations between Kosovo and Albania will expand to *broader pan-Albanian cooperation* involving cultural, academic, linguistic, economic and other areas of cooperation. The belief is that such cooperation should be considered an advantage for the Albanians which in no way represents a regional threat for others, so long as it is *complementary* to regional and European cultures and values.

Politically, the implementation of such forms of cooperation may fuel old suspicions and resentments. The legitimacy of pan-Albanian cooperation as formulated above (that is *complementary* to regional and European cultures and values) is in principle as legitimate as any other form of ethno-national cooperation, including pan-Serbian, pan-Croatian, or pan-Bosniac interaction. Such cooperation contributes to making borders more porous, establishing new links across geo-economic areas and new bridges in cultural and linguistic terms. Indeed, the right to have special, parallel relations granted to the *Republika Srpska* and Serbia on the one hand, and Croatia and the Federation of Bosnia

and Hercegovina on the other, confirms that such cooperation has been already internationally endorsed.

We can therefore expect that this trend will intensify in view of the new pan-Albanian enthusiasm, and that other ethnic groups will be encouraged to follow the pattern. However, the position of *Macedonia in this framework might become particularly delicate*, since this country, more than any other, runs the risk of regional isolation. As a result, ***special emphasis upon political and economic support for Macedonia*** in the context of regional cooperation is required, together with political support for the unitary character of the Macedonian state along the lines of the Ohrid Agreement, best pursued by invigorating the process of decentralization in all its aspects.

It is vital to define to what extent, or according to which strategies regional cooperation can be most effectively promoted in the Balkans. ***In principle, regional cooperation offers an excellent opportunity for making the Western Balkans acquainted with the terms of future, multilateral cooperation within the EU.*** However, regional cooperation can be effective *only* if it does not reinforce local suspicions, according to which pan-ethno-national cooperation is regarded as a threat to the statehood of neighbouring countries. Therefore, the role of the EU in defining the rationale of regional cooperation is crucial to strengthening the integration perspective, and to dismantling local suspicions and reservations.

Another aspect of this issue relates to the bilateral process of accession to the EU. As is well known, some countries claim the right to move forward towards EU accession without being politically penalized because other regional states are for the moment unable to meet EU conditions. This concern has often been posed with regard to events in Serbia, particularly if Belgrade assumes a hostile policy towards its neighbours. However, it is difficult to assess in advance a situation which is likely to change repeatedly, and where for the moment the statehood of both Serbia and Kosovo is being defined in different ways by the EU member states. It is at any rate evident that the pace of negotiations for accession to the EU depends on a shared evaluation of the regional context by the EU member states, including the overall level of regional stability.

In this respect, EU institutions and the EU member states have a significant responsibility. The evolution of regional cooperation should be constantly monitored by the EU (ideally by a specific task-force with a high regional specialisation and awareness) with the aim of scrutinising multilateral cooperation and the development of bilateral relations, and of encouraging openness and transparency.

Additionally, the EU should make clear to Serbian public opinion that many member states are inclined to offer strong support for Serbia's accession to the EU regardless of the Kosovo status issue. At present, in part due to the legacy of the conflicts of the 1990s, Serbian public opinion does not share this view, and Kosovo's declaration of independence has strengthened negative perceptions among a significant part of the population. At the same time, and in spite of Greek behaviour, the EU should reinforce its positive attitude towards Macedonia, which is at risk of concluding that it is isolated in its attempt to be included in transatlantic institutions, or of supposing that support comes only from the United States, thereby enhancing disillusionment with the EU.

In conclusion, the EU should promote specific programs that can reinforce conditionality, as well as helping to balance different levels of cooperation within the region with the aim of mitigating any sense of bilateral threat. The EU should particularly endorse wider regional cooperation schemes:

1. by increasing *popular mobility, scholarships, and multicultural, multi-linguistic, inter-university and inter-school projects at the regional level* with the involvement of a number of countries simultaneously;
2. by intensifying *cross border cooperation* via regional micro-projects and *transnational NGO projects*;
3. by investing in the improvement of the quality and speed of *transnational infrastructural communication* (motorways, railways, harbours, maritime-inland integration, high-tech communication); and
4. by allocating more funds and directing greater efforts towards the *development of the rule of law*, including joint measures against organized crime and legal harmonization in view of the creation of a common legal space.

Furthermore, and in view of the prospect of the inclusion of the region into the EU, policy towards *visa liberalization* should be harmonized with a request for strong border controls in Western Balkans states fighting against criminality. In other words, borders will increasingly have a double dimension: they should be *soft* for cultural and economic development, while being *hard* against the mobility of organized crime. This difference needs to be emphasised and popularised as well.

Regional cooperation should be developed in order to mitigate claims for statehood, by emphasising that the EU experience shows how *sovereignty is better protected when it is deliberately shared*, rather than when it depends on the isolated decision-making process of a national government. *Shared sovereignty* is a key factor that guarantees stability and prosperity, and a necessary tool for dealing with the challenges of globalisation. This is the only viable way to conclude a long journey that will allow Serbia to see the issue of Kosovo's status in a different light than that of the present, by creating a regional path for exiting from the tunnel, and making it possible for the EU member-states to re-establish a consensus on statehood.

This document is the outcome of a joint effort by the following authors:

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