



SPECIAL REPORT

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ABOUT THIS REPORT

This report is based on meetings of the United States Institute of Peace's Balkans Working Group and a subgroup working on democratization in Serbia. This work was previously presented in abbreviated form on December 10, 1998, by Daniel Serwer in testimony before the United States' Commission on Security and Cooperation in Europe at "The Milosevic Regime vs. Serbian Democracy" hearing (and was posted on the Institute's website on December 12, 1998). That testimony was also presented on January 12, 1999, by Serbian Deputy Prime Ministers Vojislav Seselj, Ratko Markovic, and Milovan Bojic, as an allegedly "top secret" Central Intelligence Agency document. On January 14, 1999, the Institute issued a statement clarifying that the document is a publicly available discussion paper prepared by an Institute fellow, and emphasizing that the Institute has continually made an effort to reach out to all sides of the conflicts in the Balkans in order to facilitate a constructive dialogue on moving the region toward peace.

The views expressed in this report do not necessarily reflect those of the United States Institute of Peace, which does not advocate specific policies.

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CONTENTS

2	Introduction
2	Kosovo and the Region
3	Promoting Democracy in Yugoslavia
4	Focus on Democratic Institutions
7	The Sanctions Debate
8	Challenges Ahead
8	Recommendations

"Yugoslavia:" Building Democratic Institutions

This report was written before the NATO air campaign began against the "Federal Republic of Yugoslavia" ("FRY") on March 24, 1999. Some of the contents of this report, however, remain important regardless of the outcome of the current conflict. The profound need for democratization throughout the "FRY" to ensure long-term stability in the region has been made clearer in these past few weeks.

Briefly...

- The possibility of finding solutions to the "Federal Republic of Yugoslavia's" long-standing and complex problems, including Kosovo, would be vastly enhanced if the "FRY" were a democracy, governed by the rule of law and open debate.
- Democratic transition in Serbia has been blocked by the Milosevic regime, which remains the major threat to regional stability in the Balkans. This regime has created an atmosphere of fragmentation, fatigue, and fear in Belgrade and Pristina.
- The United States must develop a consistent and coherent strategy for the Balkans that takes into account the effects that developments in one country or region have on neighboring states.
- The United States and its allies and partners need to focus on bringing about a democratic transition throughout the "FRY," one based on civic institutions and not on the empty ritual of elections that are neither free nor fair.
- Additional spending of \$35 million this fiscal year (over and above the planned \$18 million) could contribute to the democratic transition by making resources and expertise available to those who seek to establish democracy in Serbia. Important targets are Belgrade and other Serbian cities. Spending should focus on institutions and coalitions—not individuals—and on long-term grassroots efforts rather than instant results.

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Introduction

The incomplete democratic transition in Belgrade remains the major threat to regional stability in the Balkans. The autocratic regime there has repeatedly, over the past decade, asserted its authority in illegitimate—and sometimes criminal—ways that have led to resistance, war, and secession. Working group participants noted that the pattern set in Slovenia, Croatia, and Bosnia in the early 1990s is being repeated in Kosovo and likely also in Montenegro. It would not be surprising to see this pattern someday reaching Vojvodina and Sandzak as well. Yet, Western diplomatic initiatives continue to seek peace guarantees from the Yugoslav and Serbian governments, which have shown no willingness to guarantee or achieve human and civil rights.

The international community has focused on the victims of violent conflict, especially in Bosnia and in Kosovo, but the population of Serbia has suffered as well. This decade has brought to all of the people of Yugoslavia poverty, suffering, corruption, isolation, and war. The people of Serbia—unlike their compatriots in other parts of what was referred to as Eastern Europe—have not begun to taste the fruits of freedom. The prevailing atmosphere in Belgrade and Pristina is one of fragmentation, fatigue, and fear. This contrasts sharply with the sense of commitment and direction that is so palpable in Podgorica, the capital of Montenegro, and Skopje, the capital of Macedonia.

The Clinton administration has begun to talk forcefully about Milosevic as the problem. The United States should also support and encourage efforts of the International Criminal Tribunal for Yugoslavia to gather information to indict those responsible for war crimes in Kosovo, including upper-level commanders. The Balkans Working Group convened by the Institute has propounded this view for the past year. This report outlines ideas for a long-term strategy to promote democracy in the “FRY”, based on discussions among governmental and nongovernmental organizations that participate in USIP's Balkans Working Group.

Kosovo and the Region

A consistent, coherent strategy for the Balkans will take into account the effects of developments in one country or region on neighboring states and will understand the spill-over effects of United States policies for countries in the region.

The sense of direction and hope in Skopje and Podgorica should be protected and advanced. Working group participants suggested that one way the United States and its allies could ease Montenegrin fears of Serb aggression (direct, surreptitious, or otherwise) and allow it to focus on democratic transition would be to send in international observers, preferably from the Organization for Security and Cooperation in Europe (OSCE). To ease internal tensions in Macedonia, the international community should support a new Macedonian social-ethnic contract designed to incorporate and empower its Albanian citizens. Elements of this contract should include 1) integration of ethnic Albanians into the police; 2) greater representation of ethnic Albanians in governmental institutions; 3) legalization of the Albanian-language Tetovo University; and 4) open discussion on how to establish greater autonomy for majority-Albanian regions while maintaining the existing borders of Macedonia. The end of the Bulgarian-Macedonian language stalemate that blocked approval of important bilateral agreements is an important step in the right direction in the Balkan region. This agreement, signed in February 1999, marked a sea change in bilateral relations.

The current approach to Kosovo, which casts Milosevic as the indispensable guarantor of stability in the Balkans, limits the United States' latitude for brokering a creative, enduring solution to the current crisis in Kosovo. To arrive at a peace settlement while at the same time supporting a democratic transition in Serbia, it is necessary to create

conditions that offer the United States and its allies more leverage with Milosevic. Participants insisted that any agreement reached on Kosovo must clearly not support, even indirectly or unintentionally, the continuation of an autocratic regime in Belgrade. An agreement that provides the regime with increased leverage could cause greater suffering, for Serbs as well as others. Self-governance for Kosovo must include provisions for Serb participation in integrated Kosovar governmental institutions, with real authority over issues that affect people's lives.

The United States and its allies should cultivate and engage groups and leaders in Serbia who have potential for action independent of the current regime. Negotiators should encourage and initiate meetings between Serbian and Kosovar leaders. Ideally, a series of informal round tables for Kosovo would be desirable. These would

- include a broad range of political actors and groups;
- expand the dialogue beyond the narrow confines of regime politicians; and
- build the potential for alliances among leaders committed to democracy in Serbia, Montenegro, and Kosovo.

Promoting Democracy in Yugoslavia

The United States, its allies, and partners need to focus on bringing about a democratic transition in Serbia, one based on free civic institutions and not on the empty ritual of elections that are neither free nor fair. Such a transition requires open media, free trade unions, unfettered universities, an independent judiciary, vigorous political parties, transparent and multiparty electoral commissions, and a web of NGOs devoted to the many serious issues that confront the people of Serbia.

Recognizing that the democratization of Serbia is a long-term process that will not resolve the immediate crises in the region, working group participants agreed nevertheless that the initiation of such a program is critical. Even in the short term a democratization strategy will bolster the democratic opposition and demonstrate to Serb citizens that the West is not anti-Serb and, in fact, wants better economic and political conditions for all Serbs. It will also send a signal to the regime that it cannot continue forever to dominate the Serbian political scene.

The United States government should increase sharply its support for democracy in Yugoslavia from the current level of about \$18 million to \$53 million this fiscal year as part of a broad diplomatic initiative aimed at developing alternatives to the authoritarian regime in Belgrade and broadening the West's range of contacts. United States and European NGOs should be encouraged to increase their presence in "FRY"; the United States government should expand "FRY" private citizen participation in regional programs. Funding for indigenous NGOs should be direct, in order to avoid the long bureaucratic pipeline that slows delivery of funds. Furthermore, this effort should include a reinvigorated public affairs stance making it clear that the people of Yugoslavia deserve better than the current authoritarian regime.

Working group members stressed that efforts should focus on institutions and coalitions—not individuals—and on long-term grassroots efforts rather than instant results. A primary focus should be development of a new generation of leaders who respect political pluralism, market reform, rule of law, and tolerance. The United States should lead its allies with a policy of strong, irreversible support for a democratic Serbia, as was done in the rest of Central and Eastern Europe.

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Focus on Democratic Institutions

Open media

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The ever-tightening government control of the media in Serbia colors the people's views of their situation. Especially outside the cities, people lack the information needed to make the connection between their current suffering and the cause of this suffering: many do not realize that the current regime might be the cause that brings economic sanctions and ostracism from the international community. Therefore, support for the independent media in Yugoslavia, already a large portion of overall Western funding, remains critical. United States and European funders need to make these monies less vulnerable to actions by the Yugoslav federal and Serbian republic's governments that may divert it from the intended recipients. Over the past year, as the economic situation in Serbia worsened, the government has imposed increasingly large fines on media organizations. It has also issued new controls over foreign funds deposited in bank accounts in Serbia.

The United States government should increase its contribution to media by an additional \$10 million. This additional money should be focused on extending the audience by providing needed infrastructure improvements, such as new transmitters or access to satellite time, as well as quality entertainment and information programming. Projects should provide advice, technical support, and professional education for independent media and journalists. In addition, the United States should fund legal protection and self-defense funds for persecuted journalists and media, as was done for the Feral Tribune in Croatia, and publicize cases of repression.

Funding for open media presently comes through several United States agencies. The National Endowment for Democracy (NED) provided \$188,670 in fiscal year (FY) 1998 to independent newspapers in Serbia and Montenegro and to the Association for Independent Electronic Media (ANEM). Through the Support for East European Democracy (SEED) program, the United States Agency for International Development (USAID) provided \$2,300,000 to the Internews agency and ANEM in the same year. In addition, USAID's Office of Transition Initiatives (OTI) gave \$1,830,000 in support of independent media. The United States Information Agency (USIA) has budgeted \$50,000 for a media training project in the future and in FY 1998 allotted \$300,000 to connect independent media and schools to the Internet. Open Society-Yugoslavia, an NGO, spent \$2,728,000 in FY 1997 to support open media and communications.

Indigenous NGOs

Projects should seek to seed multiethnic NGOs focused on crosscutting issues—such as human rights, environment, and economic development.

An additional \$5 million should be earmarked to allow United States government institutions to respond to local needs of indigenous NGOs. Projects should seek to seed multiethnic NGOs focused on crosscutting issues—such as human rights, environment, and economic development—and to promote NGO coalitions for self-defense against repression, appropriate electoral activity, and professional development (lawyers, journalists, teachers, academics). Furthermore, to involve Serbian organizations in regional projects, the United States should fund Balkans regional networks of think tanks and media organizations. As with the independent media, legal teams ready and willing to defend NGOs and media challenged in court should be formed.

NED provided \$154,518 in FY 1998 to indigenous NGOs in Serbia, Montenegro, and Kosovo. These NGOs work on issues ranging from human rights monitoring, to legislative and constitutional policy reform, to civic activism. USAID's SEED funding for NGO development totaled \$584,632, supporting groups such as Delphi-STAR, a women's organization, and groups looking at legal and electoral reform. Grants dispersed by OTI to civil society organizations totaled \$620,000. USIA also provided \$60,000 in Democracy

and Civil Society awards to promote peace and prosperity in the region. This sector was also heavily supported by Open Society in FY 1997, which provided almost \$900,000 for civil society development.

Labor unions

Labor unions offer possible alternative forums for collective action. An additional \$1 million in funding could promote union membership, including among retirees and the unemployed. Since 1991 the Solidarity Center, funded by NED, has been working with Nezavisnost, the largest independent union in Serbia. In FY 1998 NED provided Nezavisnost with \$350,000 in grants to assist with trade union education. In addition to promoting labor causes, Nezavisnost does grassroots training in democratic values around Serbia. Western projects should seek to facilitate links to European union organizations for Yugoslav student organizations. Again, support for repressed union leaders through self-defense funds and actions is key.

Education

With the new University Act passed in May 1998, the Serbian government further tightened its control over universities and professors. An additional \$5 million in funding for education programs should focus on assisting alternative education networks and supporting professors who have been fired for refusing to sign the new contracts required by the University Act. Alternative teaching materials emphasizing democracy and conflict resolution also need to be developed.

USIA's SEED programs focus on supporting educational opportunities. The FY 1998 budget for USIA's Ron Brown Fellowship Program (which supports graduate study at American universities and professional internships) was \$300,000. In addition, USIA's university affiliation program in Kosovo promoted curriculum development and administrative reform, with a budget of \$125,000. United States government spending on education was dwarfed by Open Society, which in FY 1997 spent over \$950,000 to support educational programs.

Independent judiciary

An independent judiciary played a crucial role in 1996-97 during the Zajedno demonstrations, when judges did not always follow orders from the regime. A minimum of an additional \$1 million is needed to train judges in procedures that meet international standards. These funds could be used to support those who are fired or subjected to political pressures. This monetary support should also be combined with an international/domestic trial monitoring program. In FY 1998, the only United States-funded agency involved in legal reform in the "FRY" was the American Bar Association's Central and Eastern Europe Legal Initiative (ABA CEELI). Its budget of \$545,000 to promote rule-of-law programs came through USAID's SEED-funded programs. Open Society spent \$576,000 in FY 1997 on projects focused on legal reform and public administration.

Political leadership development

Developing political parties and coalitions is crucial to a successful democratic transition in Yugoslavia. The United States should increase its support for political leadership development by \$7 million, thus enabling expanded training of political parties in grassroots organizing. Projects should also aim to develop, support, and promote consolidation of a viable opposition political bloc. According to Western organizations active on the ground in Serbia, the new coalition—Alliance for Change—is viewed with some cynicism by political activists at the grassroots level. For the Alliance to succeed two things must happen: 1) the leaders of Alliance must overcome their own political

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Projects in political leadership development should also encourage broad coalitions of political parties with NGOs, which should undertake parallel non-partisan tasks, such as activating youth participation, voter education, and media monitoring.

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weaknesses they themselves have identified; and 2) the Alliance must win the trust of the people. Funding to the Alliance for Change could help with this internal consolidation and also with outreach efforts at the grassroots level to broaden the Alliance's membership from the elite to a broader constituency.

Projects in political leadership development should also encourage broad coalitions of political parties with NGOs, which should undertake parallel non-partisan tasks, such as activating youth participation, voter education, and media monitoring. Funds should also be allocated to develop the "second tier" of party leadership from provinces, the municipal level, and sectors not previously active as well as successor generation activities, and to support local governments in control of responsible opposition.

The National Democratic Institute (NDI) spent \$640,368 in FY 1998 on political party development and election monitoring in Yugoslavia. This organization, along with the International Republican Institute (IRI), has focused on the local branches of the opposition parties. They aim to foster hope for the future among the opposition. One NDI project took twelve activists to Poland to learn about the impact that opposition parties had in that country. This inexpensive undertaking exposed Yugoslav opposition parties to an experience closer to their own, and gave them more attainable goals. IRI had a budget of \$451,000 for political party development in Serbia. In addition, NED provided \$20,100 to the Democratic Center Foundation, a Belgrade-based NGO that organizes democracy-training and leadership skills programs for secondary and university students. USIA budgeted \$185,000 for its Freedom Grants Program, which brings people to the United States to learn skills and information that can be applied to the development of democracy and a market economy.

Local governance

An additional \$3 million in assistance could be used to provide technical assistance to opposition leaders who currently hold local government positions. This funding would facilitate their work with unions, small and medium enterprises, and NGOs on local economic development planning. Programs are needed to improve management and budgeting skills and service delivery to enhance the efficacy of local governments. Training should also promote open and transparent procurement and decision making.

Both USAID and USIA provided grants in FY 1998 to promote local initiatives and governance projects (\$800,000 and \$200,000, respectively). In Kosovo, the Commission for Civic Initiatives and Policy Analysis received \$50,000 from NED.

Electoral commissions

The lack of transparency of electoral commissions undermines trust in the electoral process; people do not believe votes are counted correctly. An additional \$1 million could be used to train members of local electoral commissions in transparent administrative procedures, and to fund tamper-resistant electoral technology. Another important area for support is the creation of census/registration procedures. The only United States project focused on electoral commissions in FY 1998 was through the International Foundation for Election Systems, which spent \$388,000 (from USAID SEED money) in FY 1998 on electoral system reform in Montenegro.

Youth organizations

Training future leaders in Yugoslavia is vital. The United States should allocate an additional \$2 million to promote democratic student organizations. These monies could fund travel abroad for student leadership, and support study programs and internships in Europe and the United States. As part of Open Society's emphasis on modernizing the whole society, this organization spent \$2,519,000 on programs for children and youth in FY 1997, far more than the \$99,000 IRI received to work on student groups development in FY 1998.

Training future leaders in Yugoslavia is vital.



Serb student opposition button.

Form an international support group

The international community can also provide logistical and moral assistance for the opposition in Yugoslavia. To this end, the United States should convene a donor group that would meet regularly to discuss priorities and set up an international advisory network to support democratic development. Yugoslav NGOs should be invited to participate in this group and to comment on international programs.

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Engagement or More Effective Isolation: The Sanctions Debate

Economic sanctions are not effective as a stand-alone policy or as a substitute for stronger measures. To be successful they must be embedded in an integrated strategy that includes clear objectives. Serious consideration must be given to whether the current sanctions help or hurt the regime, which benefits from black markets and widespread corruption. Would targeted, conditional loans have more of an effect in undermining autocracy than sanctions? The answer is not clear, but questions such as these deserve further study. In any event, no lifting of sanctions should be undertaken unless Belgrade is clearly pointed down the path toward democratization. A Kosovo settlement is a necessary but not sufficient condition.

THE BALKANS WORKING GROUP

The Balkans Working Group, composed of employees of various government agencies, think tanks, and nongovernmental organizations (NGOs), acting in their personal capacities, meets frequently to address issues of Bosnia peace implementation and Balkans stability. Ambassador John Menzies, former ambassador to Bosnia and Herzegovina and currently a senior fellow at the Institute, chairs working group sessions. The opinions and recommendations of the working group sessions on Serbia are summarized by Senior Fellow Daniel Serwer, Program Officer Lauren Van Metre, and Research Assistant Kristine Herrmann, with further research by Intern Jenet Redfern. For an earlier report on the current debate regarding Serbia and its future, please refer to the Institute's June 1998 Special Report "Serbia: Democratic Alternatives." For information on additional publications on Balkan issues, including democratic developments in Serbia and Croatia and the crisis in Kosovo, please contact the Institute at (202) 429-3828 or access its website at <http://www.usip.org/>.

Challenges Ahead

Even a democratic Serbia would have many problems, including a legacy of corruption and mismanagement. It will not be easy for any regime in Belgrade to confront the past, turn over war criminals, and resolve the status of Kosovo. The possibility of finding solutions would be vastly enhanced if Serbia were a democracy in which the rule of law and open debate governed rather than a leadership determined to maintain its own hold on power, whatever the cost to the citizens of Yugoslavia.

The time is ripe to develop a direct approach to democratization in Serbia rather than working indirectly to "infect" Belgrade from surrounding regions. In fact, efforts to encourage democracy in former and current Yugoslav republics are at risk if Belgrade remains autocratic and aggressive. The regime has been able to curtail the work of international organizations in "FRY" by denying or placing restrictions on visas. Organizations seeking to do democratization work in "FRY" must consider the barriers the government in Belgrade will erect and how the international community could get around them. Current efforts are generally appreciated and appear focused in potentially fruitful directions, but funding (especially outside Montenegro and Kosovo) is limited. Even if Serbia's "democracy" groups cannot yet absorb vastly increased funding, financial support sends a powerful political message, both to them and to the regime.

Recommendations

- Add \$35 million to the \$18 million the United States government is already spending on democratization programs throughout "FRY";
- Focus the United States government and allies' assistance on building democratic institutions, such as open media, free trade unions, universities, judiciary, political parties, and indigenous NGOs;
- Make efforts long-term and focused on institutions and coalitions, not individuals;
- Include support for a democratic transition in Serbia in the peace settlement for Kosovo; this agreement should not support the continuation of the current autocratic regime in Belgrade;
- Protect and further encourage progress toward pluralism and democracy in Montenegro and Macedonia;
- Strengthen regional activities and networks within the Balkan region.