



SPECIAL REPORT

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ABOUT THE REPORT

This report is based on a meeting on transatlantic relations in the aftermath of the NATO intervention in Kosovo organized by the United States Institute of Peace's Research and Studies Department in cooperation with the Institute's Balkans Working Group. The meeting took place on November 17, 1999 on Capitol Hill. Its purpose was to examine where the United States and Europe stand on issues of democratizing Serbia and stabilizing the Balkans. Participants were asked to consider whether a Europe "peaceful, undivided, and democratic" is feasible without the successful integration and stabilization of south-eastern Europe. For the meeting, the U.S. Institute of Peace invited experts from U.S. government agencies, Congress, non-governmental organizations, and think tanks. Also included were prominent experts from European capitals.

Written by program officer Lauren Van Metre, this report is a summary of the presentations and discussion at the November 17 meeting. Special reports on earlier Institute meetings on Europe and the Balkans are also available on our web site (www.usip.org) or by calling (202) 429-3832.

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Transatlantic Relations in the Aftermath of Kosovo

Briefly...

- The NATO intervention in Kosovo reinforced ongoing trends in the alliance such as the establishment of a European Security and Defense Identity (ESDI) and the growing gap in military capabilities between Europe and the United States.
- At the same time, the crisis in Kosovo marked a turning point for Europe, which acknowledged that violence and conflict were no longer acceptable in the "new" Europe—even on its periphery.
- While the United States and Europe displayed a remarkable level of cooperation and unity during the crisis, the future of transatlantic relations may be clouded by disagreement on ESDI, the long-term interests of the alliance, the role of Russia in the Balkans, and a strategy for ensuring Balkan stability and integration with the West.
- Serbia's democratic transition is critical to Balkan regional stability. Participants debated whether targeted engagement with democratic elements in Serbian society would help initiate a political transition, or whether it would strengthen the Milosevic regime.
- Some contended that the democratization of Serbia cannot proceed unless it sheds its irredentist nature and accepts the independence of Montenegro and Kosovo in order to focus on its internal development. Others argued that Kosovo and Montenegro would be weak states, making them vulnerable to Serbia and, in the case of Kosovo, eager to seek support through the formation of a Greater Albania. Thus, the dismemberment of Serbia might lead to greater regional instability.
- Participants endorsed a multifaceted strategy for the Balkans that included regional integration by means of the South Eastern European Stability Pact and the devolution of power from central authorities to local institutions. This process would ensure the region's eventual integration with Europe.

A New Sense of Europe

Was the intervention in Kosovo a turning point for NATO or did lessons learned simply reinforce ongoing trends in the transatlantic relationship? Participants at the meeting

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thought that both observations were valid. Kosovo for the first time congealed in Europe the idea that the Balkans were no longer of marginal concern. The credibility of the European Union (EU) would be at risk if the war in Kosovo were to persist. Committed to the enlargement of democratic values throughout the continent and the integration and security of countries of Central Europe, members of the European Union recognized that a failure to intervene would call into question its support for enlargement and the EU's defining premise as an institution supporting democracy and human rights in Europe. Kosovo reinforced a new sense of the idea of Europe—one in which war, genocide, and wide-scale ethnic violence are not tolerated. Europe intervened in the Balkans and in Kosovo not merely for realpolitik objectives, but to protect the goals of a new political, economic, and social community. This is why, participants noted, the Red-Green coalition in Germany could strongly support the Kosovo intervention.

Notwithstanding the maintenance of alliance unity for the duration of the NATO air war, participants questioned whether the United States and the European Union would stand together as well in future crises. Kosovo demonstrated yet again the U.S.-European military technology gap and reinforced at least one ongoing trend in the transatlantic relationship—the move by Europe toward a common ESDI. Several concrete steps have already been taken:

- The Amsterdam Treaty makes it easier and more obligatory for Europeans to form coalitions of the willing.
- The appointment of Javier Solana to be the EU's foreign policy chief in charge of the new effort to form a common foreign and security policy symbolizes a re-commitment by Europeans to ESDI.
- The Chirac-Blair (Saint-Malo) agreement to establish a rapid reaction force and consideration of the consolidation of European defense industries indicates a reassessment of European military capabilities.

Americans are generally relaxed about the establishment of a separate European defense pillar, but participants warned against a short-sighted, reflexive U.S. assumption that ESDI could undermine or bypass NATO. New strains of Euroskepticism are apparent in the current administration in Washington. Statements by U.S. policymakers reveal concerns for: (1) competition between the United States and Europe, (2) the lack of European commitment to enhancing defense capabilities, and (3) a U.S.-Europe decoupling as Europe adjusts the current security architecture to carve out a more independent role, yet does not acquire the necessary defense capabilities to support such a position.

Participants noted that it is legitimate for the United States to question European commitment to more advanced military systems. But they simultaneously supported a greater European role in policymaking for the following reasons: (1) there is a historical logic driving European integration, demonstrated recently by the establishment of the euro—a momentum that also drives Europe toward a common ESDI; and (2) the U.S. public will not tolerate U.S. dominance in the Balkans nor in Europe—the European role and its share of the security burden need to be expanded for U.S. domestic purposes. Policymakers in Washington should not attempt to change Europe's support for ESDI, but should channel it in ways that reinforce U.S. (and European) interests. With a successful upgrading of Europe's role in security, the United States will have a more independent, "quarrelsome" partner, but Europe will remain a partner and not emerge as a competitor.

What does the operation in Kosovo mean specifically for NATO? Participants expressed concern that NATO was increasingly perceived as the preferred institution for Western policies in Europe (giving a new militaristic twist to European policy), and that there had been a "NATOization" of peacekeeping missions. Whether these perceptions are valid remains to be seen. Certainly accelerating the European Union as the stabilizing factor in Europe would mitigate this perception, although such a policy has its associated problems:

- The more the European Union is used as a magnet for attracting newly democratizing states, the less it is a strong, decisive actor. Too many members might dilute the EU's ability to reach consensus even on critical issues.
- Also, if the European Union continues to expand eastward, how will its area of interest be defined? As one speaker asked, "After the Balkans, do we head to the Caucasus?"

Furthermore, focusing on the European Union as another mechanism for providing security to Europe should not detract from efforts to ensure NATO's efficacy. Participants noted that there is no long-term consideration of alliance interests by member states; NATO appears to be event—rather than interest—driven. There are efforts, such as those by Britain's prime minister, Tony Blair, to focus on future military requirements based on alliance interests. However, for the most part, NATO members are ignoring current and potential interests, leaving the alliance vulnerable to deep-seated differences when it can least afford to be—at the onset of a crisis.

Finally, while the alliance managed a unity of interest and action during the Kosovo crisis, cooperation on Balkan issues is not likely to continue. Already, there are signs of U.S.-European divergence on the issue of sanctions against Serbia. The European Union is beginning to think that the lifting of sanctions, that is, ending Serbia's current isolation, might stimulate positive changes in the Federal Republic of Yugoslavia (FRY). In addition, there has been little allied coordination and planning with respect to Montenegro. As President Djukanovic moves his country toward independence from the FRY, will the United States and Europe protect Montenegro from Serbian aggression, should it occur? How would the alliance legitimate its actions in Montenegro? Would it take the approach it took in Kosovo?

Russia and the Balkans

Russia remains a major factor in transatlantic dialogue and policies on the Balkans; it continues to deserve careful consideration by Western leaders seeking effective solutions to current and ongoing crises in southeastern Europe. Statements by Russian officials during the Kosovo crisis reflected concern for the growth of U.S. influence in the region. Moscow's engagement in the Kosovo crisis was primarily to counterbalance NATO, which appeared to be encroaching into a Russian sphere of influence (through the air campaign on Serbia) and threatening Russian sovereignty (by setting a precedent in Kosovo for intervention on behalf of the Chechens in Russia). For Moscow, the Kosovo operation was an enlargement of NATO by other means—namely, through expanding territorial interests. Statements of concern by Moscow for Serbia's position were generally regarded as non-ideological by Western analysts. That is, loyalty to the Slavic "brotherhood" or the ex-communist "fraternity" of nations were not perceived to be the basis of Russia's actions. For the most part, Russia's intentions were seen to be: (1) to diminish the influence of NATO and the West, and (2) to ensure a prominent role for Russia in the region, reflecting its geopolitical and strategic interests. Because Russia's interests in the Balkans were based on geopolitical and not ideological considerations, participants at the meeting agreed that its efforts to counterbalance NATO would continue regardless of Russia's market reforms and democratization process.

With NATO in command of the peace operations in Bosnia and Kosovo, and the multilateral EU, OSCE (Organization for Security and Cooperation in Europe), and UN efforts in place to reconstruct the Balkans politically and economically, how much of a role will Russia have in the Balkans in the future? The lack of a resolution for Kosovo's status, the potential for change in the domestic scene in Serbia, and the possible pursuit of a "Greater Albania" by Albanians in Albania, Kosovo, and Macedonia would be divisive for Russians and the transatlantic partners. Russia believes it has influence in the Balkans and would no doubt assert that influence to protect it. In the Kosovo crisis, the Milosevic regime sought Russia's involvement primarily for its status as a permanent mem-

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ber of the UN Security Council. According to one speaker, Serbian ultranationalist Vojislav Seselj and the Yugoslav military still lobby for Moscow's continued interest in Kosovo's status. In fact, based on the events surrounding the Kosovo crisis, some thought that Moscow's actions in any future crisis would be critical to influencing the regime in Belgrade: Milosevic pulled the Yugoslav security forces out of Kosovo when Russia withdrew its support during critical post-Rambouillet negotiations.

Islands of non-agreement among the United States, Europe, and Russia regarding the Kosovo conflict will continue to invite Russian attention. Europe's ability to take the lead in stability and reconstruction matters to Moscow: It is more palatable to Russian leaders for the United States to take a back seat to European efforts to construct a Stability Pact for South Eastern Europe (currently being organized by the European Union). The issue of intervention in internal crises will also continue to plague Russia's relations with the West. Russia supports intervention only with the authorization of a UN Security Council resolution—an issue of more than academic importance for Moscow. One speaker remarked that Russia and the West will have to come to terms with the issue of state sovereignty, perhaps by articulating clear rules for intervention. Otherwise, Moscow will continue to view Western humanitarian interventions as “assaults” on the principle of sovereignty.

The nature of Moscow's involvement in the Balkans will also be shaped by internal political dynamics in Russia, that is, by which political faction is most influential within Kremlin circles. Participants at the meeting identified three influential groups:

- Hawkish groups within the military. This particular segment of Russian political society desires confrontation with the West in order to increase military spending and diminish the influence of its competitors, the liberal democrats. For the military, Serbia, Kosovo, and the Balkans are opportunities for confrontation with the West.
- The Foreign Office and the Council for Foreign and Defense Policy. This group, formerly represented by Yevgeni Primakov, is more moderate in its goals. While not wanting direct confrontation with the West, it would like to see divisions between Europe and the United States over fundamental foreign policy interests. Previous and future conflicts in the Balkans are perceived by this faction as opportunities to emphasize differences between the United States and Europe to Russia's advantage.
- Russia's business community. Most clearly identified with former prime minister and Gazprom official Victor Chernomyrdin, this group seeks cooperation with the West and is most interested in finding mutually agreeable policies in the Balkans and in other areas.

Participants agreed at the November 17 meeting that the dominant faction would be “hand picked” by then prime minister (now president) Vladimir Putin, but that his preferences would be difficult to predict. Participants noted that little was known of Putin's foreign policy positions, as he had been most actively involved with domestic issues such as the conflict in Chechnya.

The Future of Serbia

Participants at the November 17 meeting agreed that the international community's strategy for Serbia must be based on policies that aim for Belgrade's peaceful transition to a stable, democratic state. Most were divided, however, regarding the methods for achieving a positive change in the regime. The debate centered primarily around two issues: (1) whether sanctions imposed by the international community would precipitate the removal of Milosevic from power, and (2) how the international community's support for the legitimacy of the FRY enables the current regime to retain power.

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The Sanctions Debate

Many participants opposed the current sanctions regime and favored its partial lifting in order to better and more actively engage Serbian society, while maintaining strict limitations on members of the ruling class. Societal engagement, they argued, should include aid for reconstruction at the local level in cooperation with local communities (by circumventing Belgrade) and indigenous non-governmental organizations (to bolster Serbian civil society). This assistance should be carefully targeted and conditional upon recipients' support for democratic principles and processes. For Serbia to attain economic and political stability it must rebuild its economic infrastructure, which has suffered from years of mismanagement by the socialist and Milosevic regimes, and most recently from the NATO bombing campaign. Targeted support from the international community for infrastructure rebuilding and development would:

- help soothe anti-Western sentiment among the Serb population
- support Serbia's struggling civil society by providing solidly democratic non-governmental organizations with economic assets
- help neighboring countries, which have suffered economically from the sanctions regime imposed on Belgrade and the NATO intervention in the FRY, and rebuild regional trade relations

Participants argued that a successful transfer of political power from the Milosevic regime to a democratic successor would contribute only partially to stability in Serbia. Serbian society must also experience an economic and political renewal. Since Serbia is central to stability for the entire Balkans region, why not, they asked, ensure now that it has the basic capacity in place to recover quickly and strongly from the deprivations of the current regime?

Others expressed concern that international involvement with Serbia might strengthen Milosevic—a process that would likely result in an internal crackdown against the democratic opposition. Furthermore, even a limited relationship with the Milosevic regime would weaken already tenuous ties between the international community and opposition leaders. Yet another “abandonment” by the international community would leave the opposition even more vulnerable and force it to bargain with Milosevic.

Finally, some observers felt that the long-held belief in the international community's ability to “manage” Milosevic's Serbia (through engagement) was hubris that would lead to additional impotent policies and further alienation of Serbian society and the democratic opposition. For these reasons, and because past efforts to lift sanctions against Serbia have failed to achieve the desired policy objectives, the current sanctions regime should remain in place.

The Legitimacy of the FRY

According to some participants, the democratization of Serbia cannot proceed unless and until both Kosovo and Montenegro are allowed to go their own way. Only a Serbia free of the need to dominate others will be able to concentrate on its own internal development. The legal basis for Kosovar and Montenegrin independence has already been established; these entities should be afforded the same choice given other members of the former Yugoslav Federation. The 1974 Constitution that established the Yugoslav state has already been made obsolete by the establishment of new states in Slovenia, Croatia, Bosnia, and Macedonia, and by violations by the Milosevic regime. (One participant even suggested that the international community should have used the 1974 Constitution as the basis for overseeing Yugoslavia's “velvet divorce,” thereby preempting its violent break-up.)

Furthermore, there is a historical (pre-1974) basis for their independence. Montenegro was an independent state prior to becoming part of Yugoslavia after World War II,

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and Kosovo did not acquire its current territorial-political physiognomy until after World War II. Supporters of the FRY's dismemberment argued that it is not a legal state, and that the "myth" of the FRY allows Milosevic to keep areas under Serbian rule, claim a Greater Serbia, and resist democratization. In view of the recent emergence of a number of new states in Europe, the establishment of Kosovo and Montenegro as independent states sets no dangerous precedent in the areas of international law and self-determination.

Those opposed to the dismemberment of the FRY questioned its possible effect on national, regional, and global stability. In terms of Serbian internal development, some thought that the dismemberment of the FRY would weaken the Serbian democratic opposition, which might be blamed for Serbia's loss of territory. Regional disequilibrium might also result as attempts to form new states might lead to the establishment of a Greater Albania and the breakdown of the Macedonian state. Furthermore, a small state in Montenegro would not necessarily be viable; it would still be vulnerable to Serbian aggression. In fact, Montenegrin self-determination would likely provoke an aggressive move by Belgrade and result in a civil war in Montenegro. Montenegro can best ensure its future security by remaining a constituent member of the FRY and injecting democratic norms and processes into federal institutions. This opinion was countered by others at the meeting who argued that Montenegro is most vulnerable in its present political configuration, which legalizes Belgrade's intervention and the continued presence of "hostile" instruments of the state on Montenegrin territory. As for an independent Kosovo, some thought that the current actions by Albanians against the Serbs vitiated Albanian dreams of independence. The international community would be hard pressed to support a state that had been made ethnically pure through violence and intimidation.

Many felt that the debate over the legitimacy of the FRY would have a significant impact on international laws governing state sovereignty. If the FRY does not exist as a legitimate state, what does this mean for countries such as Russia and India? Are Chechens, Tatars, and citizens of Punjab also deserving of independence? The sanctity of state sovereignty must be preserved in international law. If legality no longer determines sovereignty, then raw political power will be the only deciding factor. Larger, more powerful states (and those with nuclear weapons) will always assert their authority over entities seeking self-determination, while smaller states will break apart.

Others argued that instilling democracy (and not establishing more small mono-ethnic states) was more likely to provide stability to regions such as the Balkans. Small states remain vulnerable to neighbors that have not yet resolved their hostility toward different ethnic groups. However, states based on the principles of compromise and ethnic tolerance pose little threat to their neighbors. They are, in fact, more likely to foster regional stability as they seek relations with like ethnic groups across national borders.

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The Future of the Balkans

A consensus emerged from the meeting's final panel regarding a strategy for the Balkans region—a multifaceted strategy that addresses local, national, and regional concerns. Participants based their strategy on the preservation of what remains of multi-ethnic states. For the most part, they rejected partition as a solution to ethnic conflict, as partition often begets violence during the exchange of populations. The key to stable and viable states in the Balkans, most agreed, was strong local governance and support for regional organizations. Overly centralized policies and structures are not efficient and are increasingly obsolete in the new Europe. Just as Western European countries are shifting government power upward from capitals to supra-national European structures and downward to regional parliaments, the Balkan states should follow the same pattern. The strategy favored by Western European leaders for the Balkans involves regional integration, democratization, and efficient governments at the national and local levels.

Through regional integration the Balkans have a road map for joining the West. The mechanism for achieving greater regional cooperation is the South Eastern European Stability Pact, currently being organized by the European Union.

Many participants noted, however, that while the current strategy for Balkan stability is laudable, support for the program in Europe and the United States is lacking. The Stability Pact should ensure that Balkan states have access to EU markets for commerce and receive support for infrastructure development. The Stability Pact is not working as it should, although recent donor country meetings are cause for optimism. Furthermore, integration with the European Union will be a difficult process even for the more mature democracies of Central and Eastern Europe. For the Balkans to achieve such levels of development will require massive infusions of development aid beyond basic moneys for reconstruction, support for democratic and civil society development, and the political will to reform according to European standards even in the face of economic hardship. Progress has been made in Bulgaria and Macedonia where free and fair elections have been conducted. However, participants noted that much work needs to be done, especially in the countries of the former Yugoslavia, to achieve viable states and regional economic integration. They suggested a country-by-country course of action, although they noted above all that each and every state requires international investment. Economic growth and jobs are the key to solving regional problems.

Participants also noted that the Dayton accords were designed to stop the fighting in Bosnia by establishing a government that included all ethnic parties. Large parts of the Dayton agreement have not been implemented, however, and Bosnia and Herzegovina remains divided into three mono-ethnic entities. (The January 2000 elections in Croatia, which rejected the Croatian nationalist party of Franjo Tudjman, the HDZ, in favor of a coalition of centrist parties, occurred shortly after the November 17 meeting. Croatian president Mesic, upon his accession to power, rejected the policies of the HDZ that favored government and economic support for Herzeg-Bosnia, the predominantly Croatian region of Bosnia and Herzegovina. It appears that the change in Croatia is accelerating change within the HDZ in Herzeg-Bosnia.) The state remains donor dependent and its international relations are tainted by bribery and corruption. Some participants predicted that donor aid to Bosnia and Herzegovina will be cut by 40 percent in the near future, causing worker unrest and severe economic stress. Five options for Bosnia were identified at the meeting: (1) give up due to donor fatigue; (2) continue working with local governments and existing policies; (3) rewrite portions of the Dayton accords, a process that will likely re-invigorate nationalist competition; (4) enforce Dayton more robustly; and (5) establish Bosnia and Herzegovina as an international protectorate.

According to many participants, the intervention in Kosovo is currently on track to repeat many of the same mistakes made by the international community in Bosnia and Herzegovina. The lack of an effective governing authority and political instability deter private economic investment in Kosovo, which is rapidly becoming dependent on international aid. Continued ethnic conflict and high levels of violence and crime not only threaten the emergence of a stable Kosovo, but may spill over to neighboring states. Kosovo desperately needs a criminal justice system, including a penal code, a trained police force, and a working court system.

The current state of play in Montenegro introduces another potential area of regional instability. Democracy in Montenegro is threatened. As a result of the NATO air campaign against the FRY, 90,000 refugees entered Montenegro—a large number for a country of only 600,000 citizens. Milosevic continues his attempts to destabilize the Djukanovic government through the Yugoslav army (which retains a presence in Montenegro), internal economic sanctions, and a fierce propaganda war.

At risk is the fall of a democratic government in the Balkans—one that could contribute significantly to regional integration and stability. Montenegro will need support from the international community for its reform program, which includes programs for social stability, protection, and welfare; a stable monetary system (with the introduction of the deutsch mark as a parallel currency); confidence in the banking and finan-

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In the end, participants agreed that the states of the Balkans must have equal access to European institutions based on adherence to the criteria laid out to them.

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cial systems; and a secure environment to attract foreign investment. Yet, this is the minimum required from the international community to ensure Montenegro's secure transition. If Milosevic escalates the current conflict, the Djukanovic government may well require military intervention to ensure its survival and the existence of the Montenegrin state. Do the United States and Europe have the resolve to invest troops?

As for Serbia, building a united opposition is a priority but faces such obstacles as:

- a way of life that lends itself to corruption; people have learned to do what it takes to get by
- severe brain drain—the emigration of several hundred thousand people who opted to leave rather than oppose the regime

Although a Serbia without irredentist hopes may soon emerge, its internal problems are of such magnitude that it would be impossible to establish stability in the region without resolving them first. There is a U.S. and European willingness to rebuild Serbia, which can become an important member of the regional group of states. However, participants at the meeting warned against singling Serbia out from the others as a key regional partner. The history of Yugoslavia shows very clearly that the area, even when politically united (let alone when politically divided), does not tolerate hegemonic states.

In the end, participants agreed that the states of the Balkans must have equal access to European institutions based on adherence to the criteria laid out to them. Countries must know that they are on track for EU membership (even if membership is years in coming) and greater integration into Europe. A clear vision of eventual EU membership can induce states to solve ethnic tensions, given that the most unlikely EU members are those countries where ethnic problems are greatest.

Recommendations

- Work to create an ESDI that promotes U.S.-European cooperation, recognizing that ESDI is part of an affirmative process of greater European integration and that a strong Europe decreases the U.S. burden in Europe and globally—a development supported by the American public.
- Emphasize the importance of enhancing European defense capabilities to avoid a hollow ESDI and a decoupling of U.S.-European security relations.
- Recognizing the enduring nature of Russia's geopolitical interests in the Balkans, and the increasing clarity of the Russian political situation, find positive ways to engage Moscow on Kosovo, making it part of the solution to Balkan problems.
- Constantly review the FRY sanctions regime, which should be modified when necessary to strengthen democratic organizations and tendencies in Serbia while directly weakening Milosevic and his supporters (as was done by the international community in January 2000 when it considered lifting the restriction on flights from the FRY to Europe in favor of tighter financial and economic sanctions and an increase in the number of people on the visa ban list).
- Work toward diversification of government authority in the Balkans and away from strong, centralized domestic and regional institutions (which undermine the development of civil society). Encourage efficient local, national, and regional institutions to further democratization, regional cooperation, and integration with Europe.
- Press donor countries to step up contributions to Kosovo's criminal justice system (police, special police, and courts), recognizing that crime, anarchy, and persistent localized attacks on minorities are the primary threats to stability in Kosovo.
- Study carefully the impact of a drawdown in international aid to Bosnia and Herzegovina and take steps immediately to prevent instability by introducing viable economic projects and strengthened security to the most vulnerable communities.