



## The Anguish of Nation Building

### A Report from Serbia

*Paul Aaron*

Serbia was once the place to be for American foreign service officers hoping to advance their careers and gain a plum posting abroad or a job on the National Security Council. It also attracted nongovernmental organizations (NGOs) looking to do good, impress their boards, and win big contracts from donors, as well as journalists with a penchant for hot spots. Over the course of a 12-year period, beginning in 1992, during which the United States spent at least \$22 billion regionwide, Serbia mattered. The country was a linchpin of efforts to demonstrate NATO resolve and bring a cease-fire to the conflict in Bosnia. It was also a proving ground where President Clinton's NSC team tested concepts of U.S.-led humanitarian interventionism.<sup>1</sup>

Now Serbia's former leader, Slobodan Milosevic, sits in the dock at The Hague and the country's current leaders, President Boris Tadic and Prime Minister Vojislav Kostunica, are committed to free markets, democratic reform, and Euro-Atlantic integration. Having lost its special status as a pariah, Serbia has become just another small, poor country in a part of the world less and less important to the United States. The Balkan ghosts appear to have been exorcised, the media eye has shifted its gaze, and the benevolent occupying army of diplomats, postconflict reconstruction specialists, and civil society practitioners who arrived when the country was in crisis and the strategic stakes were high have packed their gear and are moving on.

At the AFL-CIO's Solidarity Center on Belgrade's Jelena Cetkovic Street, they're

doing the final accounts and preparing to close up shop. Laurie Clements, the son of a Welsh miner who once taught labor studies at the University of Iowa, arrived four years ago to assist the fledgling independent Serbian trade union movement find its way in the brave new world of economic liberalization. Under pressure from the International Monetary Fund (IMF), a number of large, state-owned firms are scheduled to be sold off or shut down next year, shedding tens of thousands of jobs in railways, airlines, and basic industry, thereby setting the stage for strikes and unrest. But Clements's funding has ended, and he expects his new assignment will take him to the Middle East. Many members of the expat community have already headed in that direction. Iraq quickly siphoned off the first-stringers: the spit-and-polish ex-marine who directed the U.S. Agency for International Development (USAID) mission in Belgrade has now taken on the same role in Baghdad.

Not everyone has abandoned ship. Among contractors, the Washington-based International Research and Exchanges Board (IREX) continues to provide vital support to independent journalism in a media environment increasingly dominated by scandal-mongering tabloids. A handful of American companies are doing business in Serbia. The most significant, U.S. Steel, bought the former Sartid millworks in Smederevo for the bargain price of \$33 million. After an influx of investments to recommission its blast furnace, the plant has emerged as an economic success story and Serbia's largest exporter. Some government agencies remain

active. A small CIA contingent, working out of the U.S. embassy, coordinates the pursuit of accused war criminals Ratko Mladic and Radovan Karadzic, and the FBI has assigned an agent from Los Angeles to serve as point man to monitor drug and weapons trafficking.

But overall, the American presence has been dramatically scaled back. The current U.S. ambassador, Michael C. Polt, has focused mostly on job creation, in marked contrast to his predecessor, William Montgomery, who reveled in playing the part of proconsul. Polt's low-profile approach makes sense: first, because many Serbs still resent the country that bombed them in 1999 (during the 78-day bombing campaign, which was justified as a moral crusade to stop the ethnic cleansing of Kosovar Albanians and which ultimately led Belgrade to withdraw its forces from Kosovo, a thousand NATO aircraft flew 38,000 sorties, attacking a wide range of civilian targets throughout Serbia), and, second, because Washington wants to hand over to the European Union the administrative and financial burden of maintaining order. The exit strategy is now in full swing, justified by President Bush's declaration last March that American leadership had brought "peace and stability" to the entire region. Yet remarkably little public attention has been paid to what is actually being left behind. How closely does the situation in Serbia fit such rhetorical claims?

Several recent visits suggest a terrain of fractures and fissures. Serbians are increasingly pessimistic about the future, democratic change is far from being consolidated, the country faces a convergence of daunting challenges over the next year, and a government takeover by right-wing populists remains a real possibility.

#### *A Continuing Cycle of Loss*

A recent article in *New York* magazine touts Belgrade as a new international playground, poised to lure visitors with its vibrant contrasts. "Decaying socialist institutions and

government buildings precision-bombed by NATO forces" and "elderly ladies going to light candles at Eastern Orthodox chapels thick with incense smoke" are said to provide an exotic backdrop to "long nights spent clubbing to downtempo, dub and house music chased back with cheap Montenegrin beer."<sup>2</sup> The epicenter of this surreal scene is Strahinjica Bana, a long street lined with cafés known locally as "Silicon Valley" for the fashionably clad, surgically enhanced women who step out of BMWs and Audis on the arms of their wealthy "sponsors." The neighborhood's most popular bistro is called "Dorian Gray," after Oscar Wilde's decadent character who sells his soul for beauty and success. Whatever its owners had in mind, the café is an apt symbol for a country unmoored from a coherent sense of national identity and collective purpose.

One still sees scrawled on the walls of apartment blocks the four Cyrillic S's, standing for Samo Sloga Srpsa Spasa (Only Unity Can Save the Serbs), ubiquitous during the Milosevic epoch. But the faded letters mark a bygone era before the call to communal arms turned into an anthem of disaster. Nowadays, following defeats in three wars and the assassination of a young and attractive prime minister, Serbia is a damaged state with huge social and economic cleavages reminiscent of Russia after the breakup of the Soviet Union. Here one finds entrenched corruption and criminality, more refugees and internally displaced persons than in any country in Europe, a brain drain that draws off skilled and talented young people, a looming foreign debt crisis, a government cobbled together from four feuding coalition parties, and a political elite seemingly oblivious to the common good. While activists like Sonja Biserko, who directs the Helsinki Committee on Human Rights in Serbia, conjure the specter of resurgent ethnic chauvinism—which she says only a systematic, well-funded, and externally imposed campaign of "denazification" can banish for good—in fact the prob-

lem has less to do with ideological zeal than with alienation and apathy.

There is no compelling vision of a better future around which people can mobilize or sacrifice. In 2001, during the momentary euphoria following the ouster of Milosevic, Prime Minister Zoran Djindjic warned the nation that “the frog must be swallowed.” He explained that temporary hardship had to be suffered in order to make a clean sweep of the past and put Serbia back on the right track. Yet today, with living standards continuing to deteriorate, appeals to patience have lost purchase. Most Serbs believe that those in power are unable or unwilling to govern fairly. Thus, three presidential elections had to be annulled because of low voter turnout, forcing the passage of a law eliminating the required 50 percent threshold.

American policymakers are exasperated by what they see as Serbia’s squandered opportunities. They compare its record with the more rapid transitions managed by the Baltic states, Poland, Hungary, and the Czech Republic. Yet, such comparisons ignore Serbia’s specific and sustained trauma. Whatever Serbia’s own role in triggering the crises it has undergone, the toll has been immense—moral, material, and territorial—leaving a bereaved population and an enfeebled state.

In 1989, just before it unraveled, Serbs belonged to a country of which they were proud and for which they had made enormous sacrifices. Yugoslavia was a multi-ethnic state of 22 million people, with its own indigenous brand of socialist development.<sup>3</sup> “Apartments were built, our kids had everything they needed, there was peace, and we didn’t know what a visa was,” a woman wistfully remembers. Materially, Yugoslavia offered its citizens a standard of living more comparable to Western Europe than Eastern Europe. Charter flights from Belgrade took vacationing factory workers to the Seychelles. After the crackup, war, hyperinflation, a decade of authoritarian

rule, and crippling sanctions, Serbia was in ruins.

The average monthly salary in Serbia is \$250, half of what it was 16 years ago. Official unemployment reached 32.8 percent in February. The industrial base has collapsed. Cities like Kragujevac, where 20,000 automobile workers at the Zastava plant once produced the Yugo, are ghost towns. The agricultural sector, a potentially vital source of hard currency revenues, is underdeveloped. Fertilizer and farm machinery are in short supply. The middle class has all but disappeared. University professors earn \$300 a month, cardiac surgeons \$400. Prices have spiked: milk is \$1 a liter, a simple meal of soup, salad, and a small piece of pork costs \$7 at a modest local café, and a tiny apartment in Belgrade rents for \$300 a month.

How people survive is mysterious, even to Serbs themselves. Many depend on cash remittances sent from abroad, or on food supplied by relatives still on the land, or on poorly paid work performed in what has become a vast, untaxed, gray economy. But resilience has its limits. According to Srbo-bran Brankovic, a politically independent researcher in Gallup International’s Belgrade office, people feel exhausted, helpless, and hopeless. In April, twice as many respondents as in the previous year reported a decline in their living standards, and twice as many as before predicted things would become worse during the coming year. Seventy-eight percent were “somewhat or very dissatisfied” with their material condition; only 9 percent said theirs was “good.” Fifty-six percent described their material condition as “bad or unbearable.”

The same poll found high levels of institutional disaffection. Seventy-one percent reported little or no confidence in the government, the courts, or the police. Support for what Brankovic terms “social radicalism” is on the rise. Sixty-six percent agreed that “the state should not allow some to acquire wealth without restriction while others

barely make ends meet.” Only 10 percent believed that “the transition to a market economy should proceed despite the possible threat of temporary pauperization of certain groups,” and only 12 percent felt that “all socially and state-owned firms should be privatized.”<sup>4</sup>

Compounding Serbia’s social and economic anxiety is the fear that the country could fragment even further. The Security Council resolution that ended the 1999 NATO bombing campaign authorized the U.N. secretary general “to establish an international civil presence” that would provide “an interim administration for Kosovo” under which its people would “enjoy substantial autonomy within the Federal Republic of Yugoslavia.” But Kosovo’s hybrid status as a U.N.-administered province that was legally still part of Serbia proved unsustainable. The ambiguously worded resolution, which was meant to buy time so that passions might cool, made matters worse. In March 2004, an organized rampage by ethnic Albanian extremists against the Serb minority in Kosovo killed 19 people, injured more than 900, and destroyed or damaged 112 churches and monasteries. A report by Norwegian diplomat Kai Eide faulted both the U.N. Mission in Kosovo (UNMIK) and KFOR, the international military force, for failing to act decisively to contain the violence. The Clinton administration’s troubleshooter, Richard Holbrooke, warned that the situation had begun to drift out of control and that “U.S. pressure—always the necessary ingredient in dealing with the sluggish, process-driven European Union” was required to resolve the status of Kosovo once and for all. The March rioting, according to the *Washington Post*, prompted renewed efforts by Secretary of State Condoleezza Rice to “clean up the diplomatic underbrush” that had been allowed to gather.

In May, Under Secretary of State Nicholas Burns announced that talks to determine the future status of Kosovo would begin this fall. Ethnic Albanians continue to demand

full and immediate statehood, while Belgrade’s official formula remains “more than autonomy but less than independence.” No procedures or timelines for settling these differences have been established, and the State Department has already ruled out a territorial division within Kosovo itself that might allow the Serb-held enclave north of the Ibar River to be incorporated into Serbia proper. There is consensus within diplomatic circles that the talks will result in Kosovo achieving its national goals through an accelerated process of phased sovereignty. The unresolved question is how quickly and under what conditions.

Washington fears that a process that has too many encumbrances might lead to a breakdown of discipline within an already factionalized Kosovo Liberation Army (KLA). In an ensuing free-for-all, militants could return to the field to launch attacks not just against Serbs but against the 1,800 American soldiers serving as part of the UNMIK contingent. Worry about this scenario, in which Kosovar Muslims take up arms against their erstwhile liberators, weighs heavily on U.S. policymakers.

What does Serbia get in return for submitting to a partition of its historic heartland when elsewhere in the region the principle of fixed borders is treated as sacrosanct? So far, the only inducement is possible accession to the European Union. Given the EU’s own crisis and uncertain future, this offer may not amount to much. Unless Serb negotiators are able to win a package of substantial and immediate compensations that can be defended as evidence of a fair trade, the loss of the province risks setting off an escalatory dynamic of grass-roots discontent. This has little to do with persistent revanchism. Polls indicate that fewer than 4 percent of respondents rank the fate of Kosovo among issues of most importance. But absent concrete benefits, much of the Serb public may see the status talks less as a genuine negotiation than as a diktat imposed on their fragile state.

The loss of Kosovo could also arouse anxiety about further territorial disintegration. As of June 2006, Montenegro will be legally entitled to conduct a referendum deciding whether to remain in union with Serbia or to become an independent state. Ethnic minorities in the province of Vojvodina and the two-thirds majority Muslim population in the Sandzak region have shown restlessness rather than rebelliousness, but more militant movements for autonomy could conceivably emerge. Given Yugoslavia's history, even the remote prospect of further fragmentation evokes collective foreboding. The 700,000 internally displaced persons and Serb refugees who fled from Bosnia, Croatia, and Kosovo make up an aggrieved and disgruntled population especially prone to such fears.

### *Serbia's Collective Guilt*

Beyond a ruined economy and shrinking borders, Serbia is faced with a continuing challenge to its moral self-worth. In the recent past, probably no other national group has been the subject of as much pejorative ascription as "the Serbs." During the NATO bombing campaign, *Newsweek* portrayed Serbia as "a nation of haters raised on self-pity." "A critical element of the Serb psyche," wrote Rod Nordland, is "*inat*, which means 'spite,' but which also includes the idea of revenge at no matter what the cost." Was it "finally time for outside powers to make the effort necessary to cure a national psychosis inside Serbia that has been destabilizing a corner of Europe for a decade?" asked Blaine Harden, writing in the *New York Times*. "Put another way, has the time come for NATO to do in Serbia what the Allies did in Germany and Japan after World War II?"<sup>5</sup> Following the bombing campaign, the German minister of foreign affairs, Joschka Fischer, urged Serbia to ask forgiveness of Kosovar Albanians, citing the "experience of Germany, which apologized to the Jews" and "accepted the guilt for crimes against humanity committed under the Nazi regime."<sup>6</sup>

Resentful of pontificating by foreign emissaries, many Serbs have adopted a defensive rigidity. But when the issue of war crimes emerges as a subject of homegrown conversation and analysis, there is a greater public willingness to confront hard truths and address wrongs that have been done. In June, Serbian television broadcast a video originally recorded in 1995 by a member of the paramilitary unit known as the "Scorpions." The tape showed fellow volunteers taunting and then executing bound, beaten, and emaciated Muslim prisoners, most of them boys, captured after the fall of Srebrenica.

Some viewers protested that the tape had been doctored or that the Scorpions had actually been *agent provocateurs* under CIA orders. Others complained that gruesome footage of beheadings of Serbs by foreign Islamic fighters in Bosnia should have been given equal billing. But most who watched could not help being shocked and shamed. The images, which a leading Belgrade journalist compared to the pictures of Abu Ghraib in their iconic power, showed terrified and exhausted prisoners waiting for their death at the hands of zombie-like killers. Prime Minister Kostunica denounced what he described as "a brutal, callous and disgraceful crime." In ordering the immediate arrest of eight suspects, President Tadic insisted that "all those who committed war crimes must be held accountable. Those seen in these pictures committing murder were free men until yesterday. They were walking our streets. We must not close our eyes to the cruelty that took place. Only in this way will we be able to have a future."

For a group of eight NGOs—some, like the Humanitarian Law Center, funded by the United States—neither these expressions of outrage nor the actual arrests went far enough. They demanded that parliament adopt a statement admitting that "Serbia conducted a policy of genocide, lost the war, was an aggressor, and hence had to accept

moral and political responsibility.” Washington joined the fray. “Tadic and Kostunica should repent. Serbia needs to apologize for Srebrenica and hand over General Ratko Mladic before July 11, the tenth anniversary of the massacre,” declared Under Secretary of State Burns in Belgrade in June. “Until you do, we are your biggest problem,” he said.

The tone and timing of these demands reflected both impatience over Serbia’s foot-dragging on delivering up war criminals (“We should have been using a meat cleaver with this government instead of a paring knife,” opined one American official), as well as the concern that ceremonies to mark the anniversary of Srebrenica came off successfully, thereby reminding the world of America’s pursuit of justice on behalf of a Muslim people. But the effect of such hectoring was to short-circuit the self-reflection that the Scorpion tapes had begun to stimulate and to cast Serbs once again as collective moral deadbeats.

### *The Politics of Despair*

Heading into the fifth year of the post-Milosevic era, Serbia lacks social and economic security, defined borders, and strong state institutions. Cumulative loss and fear of the future are fertile ground for a politics of despair. From his Dutch jail cell where he awaits trial as a war criminal, Vojislav Seselj, founder and still leader of the Serbian Radical Party (SRS), urges his followers to reach out “to all those who hate the current authorities, but who don’t know what to do, all those who were humiliated, persecuted and left without jobs...all those who refuse to believe in the tune about transition and reforms.”

Tall and lumbering, the 51-year-old Seselj has often posed as a crude rabble-rouser whose violent antics range from pulling his gun on colleagues in parliament to making public statements meant to shock (“I want to dig out the eyes of Croats with a rusty spoon”). At The Hague, he continues

to play the part of provocateur, mocking the judges, who seem befuddled by his absurdist theatrics. Despite his penchant for buffoonery, Seselj is in fact a cunning and ideologically eclectic opportunist. Over the course of his career, he has been a Marxist-Leninist student leader; at age 22, the youngest Ph.D. ever in Yugoslavia, (writing his dissertation on “The Political Essence of Militarism and Fascism: A Contribution to the Marxian Critique of Political Forms of Civic Democracy”); a dissident jailed for “counterrevolutionary activities” and hailed by Amnesty International as a prisoner of conscience; an organizer of paramilitary units whose members have been convicted of murdering civilians; a figure in European neo-fascist circles and a right-wing associate of France’s Jean-Marie Le Pen and Russia’s Vladimir Zhirinovskiy; and mayor of the Belgrade municipality Zemun, under whose administration the scurrilous *Protocols of the Elders of Zion* were published as a special party bulletin.<sup>7</sup>

Seselj founded the SRS in 1990 around an aggressive program of Serbian expansionism aimed at devouring large tracts of Croatia and Bosnia-Herzegovina. Dressed in the military uniform of the World War II Chetniks, the monarchist guerrilla force that fought against the Partisans as well as the Germans, he personified the belligerent chauvinism that Milosevic warned voters only he and his Serbian Socialist Party (SPS) could keep at bay. (Milosevic actually jailed Seselj in 1990 for trying to destroy Marshal Tito’s villa, and again in 1995 for inciting violence in Kosovo.) In 1998, a politically desperate Milosevic brought the SRS into a coalition government. Seselj became vice president, using his position to denounce the West and to threaten domestic civil society activists: “All those who receive money from the Americans and their allies to act against Yugoslavia...the gloves are off. Now it’s crystal clear: he who lives by the sword shall die by the sword, and all of you should bear that in mind. Don’t think that we’re

going to let you kill us off like rabbits, or that we'll be coddling and caring for you like potted plants. Be careful!"

Since the ouster of Milosevic in 2000, the Radicals have steadily backed away from ethnic nationalism and moved to redefine their platform as one of economic patriotism and defense of the dispossessed. This stance has won widespread support from voters who remember when Yugoslavia was strong and egalitarian, and who regard today's impoverishment as a humiliating injustice. Feeding this sense of grievance is the brute accumulation of wealth and its garish display by a small group of "lumpen oligarchs" and their entourage of retainers and hirelings. The new elite, much of it criminalized, behaves with an aggressive vulgarity that incites populist rage. Party officials exploit this rage, routinely denouncing other politicians as having been bought and sold by the tycoons.

Within an overall political system of small, weak parties, the SRS has emerged as the most disciplined and best organized. Campaigning on the slogan "Radically Better" during the 2003 parliamentary elections, the SRS won 1.2 million votes, or 28 percent of the total, and more seats, 82 out of 250, than any other party. (This represented a threefold increase over the party's showing two years earlier.) In the June 2004 presidential election, former gravedigger and SRS candidate Tomas Nikolic, won the first round but lost the second, 54 percent to 45 percent, to Boris Tadic. In the runoff, the SRS adopted a new slogan—"Realistic"—which was meant to signal a shift toward non-ideological pragmatism. In fact, the twin slogans reveal a two-track approach by the party. The first approach is classic demagogic populism: jeering from the sidelines, hammering away at the failure of the reform bloc to fight poverty, railing against corruption, vowing to protect children from drug dealers, and promising to cut the price of bread to pennies a loaf and to revive the economy by forging closer ties to Russia

and China. "I want to make sure you sleep peacefully," Nikolic said in a typical stump speech, "that you have security, that the government starts providing jobs for you instead of closing down factories. There should be workers in the factories, not rats. There should not be wind blowing through broken windows, I want you to be able to be productive, and I know where the market is for our goods."

The second approach is to give the party a more humane face, one that appeals to a domestic base beyond its core constituency of the poor, the uneducated, and the embittered. This means putting forward such local candidates as Maja Gojkovic, a lawyer from a prominent family who won last year's mayoral race in Novi Sad, Serbia's second-largest city and the capital of the ethnically diverse province of Vojvodina. Her tenure in office has provided a national showcase for a new image of SRS leadership: well-bred, decorously professional, efficient, tolerant, and technocratic.

Officials have also begun efforts to raise the party's dismal standing among representatives of foreign governments and international bodies, reaching out to reporters and intermediaries to spread the word that the SRS has evolved and matured. Aleksandar Vucic, who is third in the party list and missed being elected mayor of Belgrade, says the Radicals are now part of the mainstream conservative right and claims philosophic linkages to Thatcherism and the German Christian Democrats. These reassurances have so far done little to assuage EU representatives, who continue to warn that Serbia under a government formed by the Radicals would once again become a pariah and face economic retaliation. The U.S. embassy in Belgrade has likewise placed the SRS beyond the pale, banning contacts of any kind and refusing visas to party leaders who hoped to travel to America on a political marketing campaign. This shunning of the Radicals is meant as a firebreak against further political gains. But it remains to be

seen whether pressure from Washington and Brussels will reduce the party's appeal. It may, in fact, prove counterproductive since Serbs are inured to threats of punishment and resentful of such meddling by foreigners, which they perceive as an infringement of their sovereignty.

Support for the SRS represents a protest against the failure of the current ruling bloc to halt Serbia's social and economic slide. This downward trend is likely to accelerate over the next year as IMF-mandated cutbacks in pensions and spending on education, health care, and social services go into effect. Radicals are political scavengers content to bide their time and wait for a wounded state to weaken further. Demonizing the party will do little to prevent its ascendancy. Neither will proposals put forward by U.S.-supported think tanks, like the Zrenjanin-based Center for the Development of Civil Society, which in May 2003 outlined a media campaign to wean Serbs of their "outdated Communist egalitarianism and anti-market bias."<sup>8</sup> What is required is visible progress, however slow, toward improved lives and livelihoods for ordinary citizens. This has turned out to be much more difficult than many imagined when Milosevic was forced from office in the wake of mass protests five years ago.<sup>9</sup>

### *Getting Rid of Bad Apples*

During the 1990s, U.S. policy toward Serbia remained fixated on a single figure, Slobodan Milosevic. Before he became the "Butcher of the Balkans," Milosevic was courted and indulged, threatened and caajoled by a long line of resident ambassadors and special diplomatic envoys shuttling in from Washington. But throughout much of the decade he held center stage, captivating his audience and feeding the illusion that politics in Serbia could be reduced to the machinations of a single dominant personality. "It's amazing what can happen when you eliminate the extremes," said Sen. Joseph Biden in a July 29, 1999, Senate

hearing. "I mean, the single best thing that ever happened is we kicked the living hell out of Milosevic. There ain't no alternative left.... It's amazing what a salutary impact that has.... My dream is to visit Milosevic in prison.... I mean that sincerely. I'm not being facetious. Because you put Milosevic in prison, and things in the region will change drastically." The "bad apple," the source of mayhem, the necromancer who spellbound his people and made them walk over the abyss: this melodramatic plot line has deflected attention from the complex nature of Milosevic's regime and the enduring institutionalized legacy it left behind.

In May 1992, Security Council Resolution 757 imposed a set of sweeping sanctions aimed at forcing the Milosevic government to end its support for Serb rebels in Bosnia-Herzegovina. Commerce, air travel, financial transactions, and cultural and sports exchanges were banned. The embargo, which cut trade by \$35 billion between 1992 and 1996, proved a boon to the regime. When the long, unstable economy fell apart, blame could be shifted to a foreign plot to isolate Serbia and bring it to its knees. State-owned factories closed down, the currency collapsed, and inflation turned to hyperinflation; food was rationed and people stood all day in line for bread or cooking oil; life savings were lost to a series of Ponzi schemes operated by corrupt bank officials connected to the government. By July 1993, three-quarters of the population was living below the official poverty line. Yet, throughout this period, Milosevic and his followers were able to invoke combat metaphors, calling for self-sacrifice in the long tradition of Serb resistance to invading armies, and assuring Serbs that while the path was thorny, the way was righteous.

Sanctions made it easier for the regime both to transmute collective suffering into patriotic solidarity and to tighten its own stranglehold on the economy.<sup>10</sup> With foreign trade and finance now illegal, a vast smuggling system was set up to evade the embar-



go and generate revenue needed for military operations and to fund the apparatus of domestic social control and media manipulation. Under the auspices of the customs service, lucrative franchises were awarded to loyalists to traffic in weapons, gasoline, cigarettes, automobiles, and consumer goods. Criminal entrepreneurs proliferated. The middle class—the custodian of civil society, democratic values, and normal business ethics—broke apart. Many of its members were forced to survive as street-level dealers in black-market goods.

State security agencies had free rein to develop their own clandestine, self-financing networks. The Red Berets (later renamed the Special Operations Unit, or JSO) started out in 1991 as a secret, elite unit of the Ministry of Interior, detached by Belgrade to arm, train, and oversee various paramilitary groups fighting in Croatia and Bosnia. Typically, these groups were made up of hardened criminals who went to war to plunder. What was intended to assert state security control over condottiere gangs gradually mutated into a symbiotic nexus, one that led to large-scale heroin smuggling, a spate of political murders, and finally the assassination of a prime minister.

By the end of the 1990s, the Red Berets no longer required a patron to sanction their activities. They had become an independent, self-perpetuating power. When Milosevic's regime began to crumble, the Red Berets switched sides and negotiated a nonaggression pact with opposition leader Zoran Djindjic, assuring him that they would refuse any orders to crack down on demonstrators gathered before the parliament building in October 2000. Later, in June 2001, they helped arrest Milosevic and deliver him to The Hague. Djindjic, who had taken over as prime minister in January 2001, came under international pressure, particularly from Washington, to break the pact with the JSO, attack organized crime and corruption, and cooperate more closely with Carla del Ponte, chief prosecutor of the International Crimi-

nal Tribunal for the Former Yugoslavia. In January 2003, Djindjic replaced the heads of Serbian state security agencies. Two months later, as he was preparing to appoint a new minister of defense, put the military under full civilian control, and set the stage for a roundup of war criminals, he was assassinated by former members of the Red Berets.

The assassination led to a massive crackdown and the arrest of security and police officials. Nonetheless, many Serbs suspect that the killing of Djindjic was sponsored or abetted, if not directly carried out, by forces still entrenched in the structures of state power. Unlike the experience of East and Central European countries, “where the old nomenklatura converted political capital into economic capital,” writes Brown University’s Peter Andreas, in Serbia, as in much of former Yugoslavia, “criminal capital accumulated during a criminalized war has been converted to political capital.”<sup>11</sup>

States making the transition from authoritarian regimes to democratic rule face the dilemma of what to do with the functionaries, spies, and profiteers of the old regime. They can be left alone, brought before truth commissions, made to undergo “lustration,” stripped of their ill-gotten gains, sent to jail. Serbia’s response to this dilemma has been evasion. To some extent, this reflects the inherent difficulty in forging consensus among the fractious party coalitions that have governed since Milosevic stepped down. A personal and political rivalry between Vojislav Kostunica, head of the Democratic Party of Serbia (DSS), and Djindjic, leader of the Democratic Party (DS), was especially debilitating, with each man trying harder to tear the other to pieces than to find common ground. But without a clear monopoly over the means of violence, even a more unified government would still have been unable to challenge the oligarchs, criminal clans, and retrograde elements of the army and intelligence services.

As it turned out, the ouster of Milosevic was not the democratic revolution it initially seemed. A number of those who had established fiefdoms and syndicates during his tenure were able to protect their assets, buy political influence (or even, in some cases, set up their own political parties), thwart reforms, and shape the rules of the political game to their advantage. If not entirely captured, the state was penetrated by groups with deep stakes in preventing the emergence of a normal society. The corrupting influence of these groups has had far-reaching effects. Among the most pernicious has been the discouragement of direct foreign investment, without which any government will be unable to move the economy forward, put people to work, create hope for a better future, and consolidate democratic change. As Robert Barry, an American diplomat with wide experience in the Balkans, argues, "Organized crime and corruption are a more serious threat to security and stability than military forces. The growing nexus between extremist politicians, organized crime, and the former communist intelligence services is becoming ever stronger, and this is the single greatest threat to democratic reform, economic investment, and membership in Euro-Atlantic institutions. Rolling back the mafia must be a central goal of the Stability Pact, NATO, the EU and the OSCE."<sup>12</sup>

### *European Integration*

With Washington determined to wrap things up and slip out of town, many democrats have pinned their hopes for a transformed Serbia on the prospect of European integration. The EU's Thessaloniki summit in 2003 concluded with an announcement that Serbia was now a "potential" EU member. "Thessaloniki will send two important messages to the Western Balkans," said Commissioner for External Relations Chris Patten. "We will not regard the map of the Union as complete until you have joined us. We in the European Commission will

do all we can to help you succeed. But membership must be earned. It will take the sheer hard work and applied political will of those in power in the region. How far you proceed along the road towards European integration, and how fast, will be up to you."

In 2005, Serbia received positive marks in an EU feasibility study. Meeting this threshold gave a boost to democratic politicians and civil society activists who argued that Serbia's transformation depended upon being "fully exposed to the magnetic pull of Brussels."<sup>13</sup> The next hurdle would be the EU's protracted and complex "stabilization and association" process. This requires candidate countries to carry out a meticulous and comprehensive review of every aspect of their economy and institutional and governance structures. They must then adopt reforms that bring domestic laws, governmental policies, and administrative systems into full compliance with EU norms and standards. The European Commission provides technical assistance and training, and produces an annual report that measures the candidate's progress on issues that run the gamut from respect for human rights and treatment of the handicapped to agricultural and military spending.

According to champions of the EU, its ability to "exert influence in countries wishing to join has been nothing short of revolutionary.... This form of 'regime-change' EU-style is cheap, voluntary, and hence long-lasting."<sup>14</sup> Boosters say that borders will become less important and narrow allegiances will give way to economic interdependence and transnational solidarity.

This idealized vision has always had its critics. "The brutal acceleration of the European Union project in the post-1990 period has leaked so much legitimacy," argues Gwyn Prins of the London School of Economics, "that it now starts to resemble that other superannuated, elite-created, imposed federal union 'project' also conceived in Europe in the same period—1910–20s: the

Soviet Union.”<sup>15</sup> But the debate has become largely moot following the recent French and Dutch rejection of the European constitution. These votes have taken the wind out of EU enlargement. The crisis of confidence promises to grow deeper with the possible victory in the German parliamentary elections of Christian Democrat Angela Merkel, a fierce critic of EU expansion. Countries like Romania and Bulgaria, already accepted for membership in 2007, may face additional hurdles and further delays. For Serbia and the other Balkan states at the end of the queue, all bets are off, despite reassuring statements from Brussels that commitments to the region will be honored.

### *Complicating a U.S. Exit Strategy*

“The administration can’t afford to have Serbia on the books anymore, whether things are fixed or not,” a State Department officer acknowledged to this writer in July. “We’ve got to retrench and concentrate on higher priority areas. We’re stretched thin and have to cut our losses.” The U.S. exit strategy assumes a shift of responsibilities to a vigorously self-confident European Union.<sup>16</sup> But with the EU now questioning its own mission and mandate in the face of an upsurge of anti-establishment voter sentiment, the anticipated handover becomes far from automatic. Ivan Krastev, executive director of the International Commission on the Balkans, is deeply worried. He describes the region’s profile as “bleak.” As he points out, “Economic growth is low or non-existent; corruption is pervasive; and the public is pessimistic and distrustful of its nascent democratic institutions. Criminalization of the Balkan states and statelets goes hand-in-hand with the internalization of the criminal networks.... The future of Kosovo is undecided...the future of Serbia is unclear. We run the risk of an explosion in Kosovo, and an implosion of Serbia.” In Krastev’s view, these risks can only be contained within a framework of EU enlargement. Absent this framework, he warns that the status negoti-

ations for Kosovo will “open not the road to peace but a road to war.”<sup>17</sup>

In the run-up to the negotiations, both ethnic Albanian and Serbian politicians are trading threats. “The only way to make sure that there will be no more bloodshed in Kosovo is to grant it its independence,” says Adem Damaci, who served as the political representative of the Kosovo Liberation Army from August 1998 to February 1999. Stalling will trigger an outburst of “violence of such great proportions that [the riots of] March 17, 2004, will be completely forgotten about. The Albanian majority feels that no one is responding to their wishes and demands.” For Serbian foreign minister Vuk Draskovic, “Worst of all would be to impose a proclamation of Kosovo independence. There’s not a politician in Serbia who will sign a document on the independence of Kosovo, and the proclamation of independence against the will of Serbia would immediately lead to problems in Serbia, Macedonia, Bosnia, and Albania. It would be a fire and there would be plenty of fuel for the flame.”<sup>18</sup>

These threats go beyond bargaining rhetoric. There exists both the possibility of renewed guerrilla warfare by the KLA and the possibility of a backlash in Serbia that could undermine democratic reform, enhance the fortunes of the Radicals, and destabilize the wider region. Both the United States and its European allies have a stake in keeping the situation from spiraling out of control. But as Yugoslavia’s violent collapse in the early 1990s attested, a clear-and-present danger is often not enough to galvanize effective preventive action.

With the status talks about to begin, Washington remains fixated on the Middle East, and Brussels has begun to have second thoughts about its capacity to extend the dominion of a benign, postmodern empire that brings rich and poor European countries together under one roof. Distraction and strategic drift on the part of the United States and the EU are bad omens, increasing

the risk that the talks will be conducted on the cheap, without the investment of time, diplomatic talent, and financial resources necessary for success. Any settlement that endures is bound to be expensive. In compensation for giving up its claims to Kosovo, its “Jerusalem,” Serbia needs significant and immediate economic benefits that can be used to buy off potential spoilers (the army, the police, war veterans, etc), replenish pensions, and put people to work.

The tab to assist Kosovo as it moves from protectorate to statehood will also be high. The province lies in utter shambles. There is up to 70 percent unemployment, with huge pressures building up from the 50,000 untrained and unskilled youngsters who annually enter the job market; institutional governance remains weak; and corruption and warlordism have grown rampant. Unless the wider world stays deeply engaged and provides extensive security guarantees, Kosovo could degenerate into a Balkan version of Afghanistan.

The United States believes that it has already done the military heavy lifting and Europe should underwrite the costs to keep the peace and consolidate democratic reform in its own backyard. “We encourage our European partners to develop a bold and creative package that translates the benefits of advancing toward EU membership into terms understandable to the average person in Serbia,” Under Secretary of State Burns said last May. But with momentum toward enlargement stalled, it seems unlikely that such a “package” will arrive anytime soon. Just when clarity of shared purpose has never been more crucial, the EU has lost its nerve and the United States wants to pack up and leave. This breakdown of focus and resolve increases the danger that the status negotiations will unfold haphazardly and fail to produce a compromise that has enough tangible benefits to attract broad-based support in Kosovo and Serbia. Such a result will embolden armed extremists among the ethnic Albanians and increase

support for the Radicals in Serbia. The region could unravel very quickly. If that happens, Washington, so determined to disengage and depart, will likely find itself drawn back in. ●

## Notes

1. The 1992 breakup of Yugoslavia led to the formation of a rump confederated state joining Serbia, with 10 million citizens, and Montenegro, with a population of 650,000. In 2003, after a history of often bitter political feuds, this lopsided confederation gave way to a much looser union, with a small joint administration in charge of defense and foreign affairs, but with each republic having its own capital, currency, and customs, and with Belgrade and Podgorica each maintaining the right to seek full independence through a referendum that may be held as early as March 2006. For the purposes of this article, “Serbia” refers to the republic of Serbia alone.

2. Richard Byrne, “The 10-Point Escape Plan: Belgrade,” *New York* magazine, April 11, 2005.

3. “Unlike their Russian counterparts, who came to view the Soviet state as the pathological superstructure of a totalitarian regime that stood in the way of Russia’s own cultural revival and national statehood, most Serbs saw Yugoslavia as ‘their’ (but not only theirs) national state,” observes the Oberlin College sociologist Veljko Vujacic. “Serbs did not feel like ‘grains of sand’ but as citizens who were losing their homeland” (“Reexamining the ‘Serbian Exceptionalism’ Thesis” [June 1, 2004], Berkeley Program in Soviet and Post-Soviet Studies, [http://repositories.cdlib.org/isees/bps/2004\\_03vujaj](http://repositories.cdlib.org/isees/bps/2004_03vujaj)).

4. The International Crisis Group sees a “bright side” to Serbia’s “ongoing—and likely to worsen—economic slide,” since a fiscal crisis will force Belgrade to accept conditions imposed by the international community (“Serbia’s U-Turn,” Europe Report no. 154, March 26, 2004). But battening on the weakness of an already fragile state is a risky business that can deepen instability and threaten the survival of reform-minded politicians.

5. Rob Nordland, “Vengeance of a Victim Race,” *Newsweek*, April 12, 1999; Blaine Harden, “What It Would Take to Cleanse Serbia,” *New York Times*, May 13, 1999.

6. Analogies between the Serbs and the Nazis seem especially perverse. “Even after the liberation from the Turkish rule, the Serbian Golgotha continued—one third of the population died in the two world wars—and it was in that last ‘genocidal slaughter’ that the centuries-long history of Jewish-Serbian martyrdom was sealed and signed in blood,” writes Serbia’s foreign minister Vuk Draskovic. “It is by the hands of the same executioners that both Serbs and Jews have been exterminated at the same concentration camps, slaughtered at the same bridges, burned alive in the same ovens, thrown together into the same pits” (as quoted in Marko Zivkovic, “The Wish to be a Jew: The Power of the Jewish Trope in the Yugoslav Conflict,” *Cahiers de l’URMIS*, 2000, [www.unice.fr/urmis-solis/Docs/Cahiers\\_6/cahiersn6zivkovic.pdf](http://www.unice.fr/urmis-solis/Docs/Cahiers_6/cahiersn6zivkovic.pdf)).

7. Sinisa Djuric, a Sarajevo-based journalist, is among the best informed analysts of the Radicals. See his “Radically Better Doom,” August 26, 2004, in the online publication *Sobaka*.

8. See “Minimizing Resistance to Reforms and the Integration of Serbia,” Center for the Development of Civil Society, Zrenjanin, May 2003.

9. The United States government gave \$50 million to the democratic opposition to Milosevic, the equivalent of spending \$2 billion on an American public relations campaign, given Serbia’s relative size. The State Department, the CIA, and contractors like the National Democratic Institute helped coordinate this campaign, which became the template for similar efforts in Georgia and Ukraine. See Nicholas Thompson, “This Ain’t Your Momma’s CIA,” *Washington Monthly*, March 2001.

10. “They were an extremely blunt instrument,” a National Security Council staffer said about the sanctions. “It was like driving in a nail with a sledge hammer: it did the job but with lot of extra damage.” So-called smart sanctions could easily have been put in place. Under such sanctions key individuals in the regime would have had their travel restricted and their bank accounts revealed; they would have been treated as outlaws.

11. “Understanding the mechanics of many contemporary conflicts and their aftermath requires taking much greater account of the various roles of criminal actors and clandestine flows. Doing so means taking topics traditionally studied in the world of criminology—criminal networks, black markets, underground economies—and making them of more central importance to the study of armed conflict and post-conflict reconstruction” (Peter Andreas, “Criminalizing Consequences of Sanctions: Embargo Busting and Its Legacy,” *International Studies Quarterly*, vol. 49 [June 2005], pp. 335–60).

12. As quoted in Gordon N. Bardos, “Prospects for Stability in Southeastern Europe,” *National Security and the Future*, vol. 3 (spring/summer 2002), p. 13.

13. Ivan Vejvoda, “Serbia after Four Years of Transition,” in *The Western Balkans: Moving On*, Chaillot Paper no. 70, Institute for Security Studies, Paris, October 2004, p. 42.

14. “The Helsinki Moment: European Member State Building,” European Stability Initiative, February 1, 2005, p. 3.

15. Gwyn Prins, “The End of the European Union,” May 25, 2005, [www.opendemocracy.net](http://www.opendemocracy.net).

16. The United States has often treated the EU as a cleanup crew. “Only the combination of American hard power, in the form of air strikes and robust occupation, and European soft power, in the form of economic aid and the promise of ultimate EU membership, were enough to stabilise the region in the late 1990s,” says James Dobbins, President Clinton’s senior advisor on the Balkans, who is now at the Rand Corporation. “For the future, one needs to test carefully the thesis that Europe’s efforts alone can keep the peace” (“Carrots Are as Vital as Sticks in the Balkans,” *Financial Times*, January 6, 2004).

17. Ivan Krastev, “The European Union and the Balkans: Enlargement or Empire?” August 6, 2005, [www.opendemocracy.net](http://www.opendemocracy.net).

18. “Blic” online, [www.blic.co.yu/danas/broj/E-Index.htm](http://www.blic.co.yu/danas/broj/E-Index.htm), Belgrade, July 14, 2005.